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TODAY: STAGE Oscar Snubs Madonna, Page 10

## A Somber France, Racked by Doubt

### Under Pressure to Modernize, Nation Clings to the Old Ways

By Roger Cohen
*New York Times Service*

PARIS — When Bernard Liautaud started Business Objects, a software company, he applied a simple formula that he naively thought might stir the imagination and shake the torpor of his country: dump French habits and do things the California way.

The results were spectacular. Founded in Paris in 1990 with $1 million of venture capital, the company was worth close to $1 billion by early last year.

From the French business community came a collective gasp.

Such rapid growth in a country where fortunes tend to build over generations was extremely unusual. Intent on understanding the upstart who had so quickly created 600 jobs and such wealth, President Jacques Chirac invited Mr. Liautaud to the Elysee Palace.

The 34-year-old multimillionaire's pitch last July to the president was, he said, simple: a summary of the Silicon Valley mantra he learned while a graduate student at Stanford University and applied at his company. Boost a shareholding culture. Think global. Think marketing. Lower taxes.

The president listened. But no changes to France's heavily regulated economy followed. And when Business Objects's shares fell recently because of delays in a new software program, there were some smug "I told you sos" from the establishment.

Where other countries have embraced the global entrepreneurship that drives Business Objects, France tends to see its economy and very identity threatened by innovation — a mood that provides perfect feeding ground for peddlers of xenophobia like the National Front party.

France today is racked by doubt and introspection. There is a pervasive sense that not only jobs — but also power, wealth, ideas and national identity itself — are migrating, permanently and at disarming speed, to leave a vapid grandeur on the banks of the Seine. Rapid technological innovation, radical strategic shifts, the Internet and the global market have contributed to an optimistic mood in the United States, as measured by opinion polls, the ever-rising stock market and an increase in jobs. But these same forces have cast an ominous cloud here.

The old cultural antagonism between France and America, rooted in the fact that both countries aspire to represent some universal model, has been brought to a new level by the American victory that a market- and Internet-driven revolution are seen to represent.

There are now regular snipes at America's "velvet hegemony." Profiting from this somber mood, the racist, extreme-right National Front of Jean-Marie Le Pen has won several victories in municipal elections, including in the southern town of Vitrolles on Sunday. It has gained support precisely by attacking globalization — portrayed as the death of national culture — and the high unemployment, which it contends stems from untrammeled market forces and immigration.

With left and right, socialism and conservatism increasingly indistinguishable, the Front has claimed successfully that it is the only group with a distinct message.

"If we want to send the Arabs and Africans and Asians back to where they came from, it is not because we hate them, it is because they pollute our national identity and take our jobs."

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## 2 Top Seoul Aides Arrested in Scandal

Agence France-Presse

**Chung Jae Chul, left, a ruling party official, being driven to jail Tuesday after his arrest on charges of taking kickbacks in the Hanbo loan case. Another senior official, Hong In Kil, was also arrested. Page 4.**

## Rewriting the History of the Americas

### Archaeological Find in Chile Indicates Asian Migration Began Far Earlier

By Curt Suplee
*Washington Post Service*

WASHINGTON — The Americas were inhabited by human beings at least as early as 12,500 years ago — far earlier and a half a world farther south than previously believed — a team of archaeologists has announced.

Artifacts unearthed at a site near Monte Verde, Chile, the nine-member group determined, predate by at least 1,300 years the evidence of human habitation from Clovis, New Mexico, that is conventionally accepted as the oldest known in the Western Hemisphere.

More portentous, however, is the fact that the discovery is in South America, thousands of miles from the Clovis site. That suggests the first Asian immigrants arrived by a different path from the one traditionally assumed — across what is now the Bering Strait — or got there much earlier than the current scientific consensus allows, or both.

Indeed, the Monte Verde dig also has revealed preliminary evidence that Homo sapiens may have been in residence there as long as 33,000 years ago.

"It totally changes how we think of the prehistory of America," said a member of the Monte Verde team, Dennis Stanford of the Smithsonian Institution. "Our models clearly are not right," and the new results "open up a whole new time period for people to investigate."

Since 1977, researchers headed by Tom Dillehay of the University of Kentucky have been excavating the riverbed site about 500 miles (800 kilometers) south of Santiago. They discovered remnants of dwellings with wooden frames and animal-hide roofs, tools made of stick and bone, a piece of what is apparently mastodon meat, more than 700 stone tools and a child's footprint.

When dating of the excavation (using an accurate method that depends on the rate at which radioactive forms of carbon decay) indicated an age in excess of 12,000 years, many scientists expressed grave doubt. So in January, a consortium of sponsors — including the National Geographic Society and the Museum of Natural History in Dallas — sent the nine-member team to investigate.

Among them were several skeptics, including Dena Dincauze of the University of Massachusetts and C. Vance Haynes Jr. of the University of Arizona. After 10 days, the group unanimously endorsed the Monte Verde find.

The Clovis record has stood since the late 1930s, though numerous contenders

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## Long Delay Over NATO Is Opposed By Albright

### *She Warns of 'Tension' In Europe if Expansion Of Alliance Is Stalled*

*Compiled by Our Staff From Dispatches*

WASHINGTON — Secretary of State Madeleine Albright said Tuesday a long delay in expanding NATO would create a "permanent source of tension and insecurity in the heart of Europe," but she warned against a "lowest-common-denominator NATO" that would include all European countries but impose obligations on none.

"That would devalue and degrade NATO," she testified before the House of Representatives' International Relations Committee.

The enlargement of the North Atlantic Treaty Organization will be a dominant theme of Mrs. Albright's trip to Europe starting this weekend.

At a summit meeting in Madrid in July, NATO is expected to invite new members to join by 1999. The likely candidates are Poland, Hungary and the Czech Republic.

"The process of enlargement has already encouraged the settlement of disputes between Hungary and Romania, Germany and the Czech Republic, and Poland and Ukraine," Mrs. Albright said.

In the future, she said, an expanded NATO could increase U.S. confidence that there would be no more conflicts like the Bosnia war of recent years and that democratic evolution in post-Communist Europe would endure.

But Mrs. Albright said there was little the United States could do to end Russian opposition to an enlarged alliance.

"We must address Russia's legitimate concerns," she said, "but it is not in our interest to delay or derail a process that is helping to build a reunited Europe."

She noted that NATO had proposed a formal charter with Russia to permit joint cooperation, consultation and training in response to crises.

"We have made steady progress toward this goal," Mrs. Albright said, "which will be a major subject of my discussions in Europe."

The secretary of state appeared to reject a suggestion by Representative Chris Smith, Republican of New Jersey, that President Bill Clinton condition a visit to China on Beijing's willingness to release prominent political prisoners.

Mrs. Albright said the United States should not limit its ability to pursue its national interests concerning China by speaking out only on one subject. Mr. Clinton and President Jiang Zemin of China have agreed to exchange presidential visits in the next two years.

Mrs. Albright also warned against further cuts in the U.S. foreign affairs budget. "Diplomatic readiness is not a luxury; it is an imperative," she said. "We cannot have world-class diplomacy on the cheap." The secretary also spoke out vigorously for paying the more than $1 billion U.S. debt to the United Nations. *(AP, Reuters)*

## East Germany's Youth Ponder the Past

### *Children of 2 Societies Face Trauma of Unity*

By William Drozdiak
*Washington Post Service*

BERLIN — They are known as the "children of two societies."

As youngsters growing up in a Stalinist state, they were nurtured on a diet of stern discipline, mind-numbing propaganda and cold Marxist logic. But over the past seven years, they have reached maturity in an atmosphere of freedom and challenges to authority that once seemed unimaginable.

For young people in Eastern Germany, national unity has meant facing their divided upbringings. Values and dogma drummed into their heads since birth have been exposed as frauds. The cozy intimacy they once felt in a tightly regimented society has been replaced by a bewildering cacophony of voices and choices that now permeate their lives.

As 80 million Germans struggle to find a common purpose after stitching their country back together, they are looking increasingly to the "bridge generation" for signs of whether their country will ever vanquish the profound alienation between populations in its East and its West.

For a group of 17-year-old students attending Herder High School along Paul Junius Street in a drab suburb of what was Communist East Berlin, the transforming experience of German unification remains a complicated process that they are still trying to sort out.

The simple truths according to Marx and Lenin are now crowded by doubts. At times, the burden of change for the bridge generation seems overwhelming.

"In the old days, everything was decided for us," an East German student, Alexander Tressel, said. "It was easy because we did not have to choose. Now we find we have to make decisions on our own; and freedom of opinion brings a lot more responsibility."

But after experiencing shock at first, many students now say they relish the metamorphosis.

"Today, we are encouraged to disagree with our teacher; but before, we were never allowed to show any doubt," Robert Tietze, another student, said. "It was a hard process to get rid of the scissors we kept in our heads. You learned to censor yourself even as a young child. But we all now feel a lot better about our lives."

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Paul Langrock/The Washington Post

**Denise Grzeskoviak, a high school student, talking about changes in the teaching of history in the former East Germany since reunification.**

## Egyptian Scandal: Sex, Drugs and Heavy Metal

By Douglas Jehl
*New York Times Service*

CAIRO — The official accusations have shocked Egypt's conservative society, with tales of clandestine parties in which young people took drugs, engaged in group sex and then unearthed corpses from Cairo cemeteries.

The Egyptian press has been even more lurid, saying that the young fans of heavy-metal music were performing Satanic rituals, even urinating on the Koran and the Bible and slaughtering cats, rats and other small animals to drink their blood.

Dozens of suspects have been arrested by Egypt's powerful state security police, and there have been reports that some may soon be charged under a statute that prohibits "contempt of heavenly religions."

"The first thing they wanted to know was whether I was chasing cats and drinking their blood," said a 21-year-old woman whose dark makeup and clothing are the uniform of a youthful rebellion in Egypt that is now under counterattack by the government.

The young woman, the lead singer in an Egyptian rock band, said that police in commando uniforms who burst into her bedroom at 3 A.M. on Jan. 22 had also questioned her about her religious beliefs and that she had answered "by quoting the Koran."

She and others who have since been released but still insisted on anonymity suggested that the accusations against them and others were the products of nothing more than popular imagination and official spite.

The arrests were the first official crackdown on rock music in Egypt, where the main official preoccupation in recent years has been the activities of Islamic militants, not what the government calls a secular extreme.

And because most of the suspects come from well-to-do families, the new vigil outside a Cairo prosecutor's office where they have been interrogated represents a jarring contrast from the usual crowd: women dressed from head to toe in black as they wait for husbands and sons accused of links to the religious militants.

Of the more than 80 young rock fans who were arrested last month, some 20 remain behind bars. And after weeks in which rumors of wild conduct by the young and rich leaped into the popular press, the official crackdown has been widely applauded by Egyptians who in taxis and coffee shops now refer dis-

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**Newsstand Prices**

| | | | |
|---|---|---|---|
| Andorra | 10.00 FF | Lebanon | LL 3,000 |
| Antilles | 12.50 FF | Morocco | 16 Dh |
| Cameroon | 1,600 CFA | Qatar | 10.00 Riels |
| Egypt | £E 5.50 | Réunion | 12.50 FF |
| France | 10.00 FF | Saudi Arabia | 10.00 R. |
| Gabon | 1100 CFA | Senegal | 1,100 CFA |
| Greece | 350 Dr. | Spain | 225 PTAS |
| Italy | 2,800 Lire | Tunisia | 1,250 Din |
| Ivory Coast | 1,250 CFA | U.A.E. | 10.00 Dirh |
| Jordan | 1,250 JD | U.S. Mil. (Eur.) | $1.20 |

**The Dollar**

| New York | Tuesday @ 4 P.M. | previous close |
|---|---|---|
| DM | 1.6784 | 1.6554 |
| Pound | 1.6372 | 1.6408 |
| Yen | 123.425 | 122.775 |
| FF | 5.661 | 5.591 |

**The Dow**

| change | Tuesday close | previous close |
|---|---|---|
| +51.57 | 6858.11 | 6806.54 |

**S&P 500**

| change | Tuesday @ 4 P.M. | previous close |
|---|---|---|
| +4.11 | 789.54 | 785.43 |


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## AGENDA

### Serb Opposition Gains Are Upheld

Serbia's democratic opposition gained its first major triumph over President Slobodan Milosevic on Tuesday as Parliament reinstated its victories in local elections.

The Parliament, where Mr. Milosevic's Socialists and their allies hold a majority, voted 128 to 2 to pass a special bill overturning the government annulment. After the Socialists voided November's opposition victories, the opposition began three months of huge street protests.

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### Epic Oscar Nominees

The wartime epic "The English Patient" led in the race for the Oscars on Tuesday with 12 nominations. Other leading contenders were "Fargo" and "Shine," while Madonna's prediction of a best actress nomination for "Evita" failed to materialize. Page 10.

## Two Schools on Wall Street's Direction

### *Where 'New Era' Analysts See Rational Level, Traditionalists See Danger*

By Jonathan Fuerbringer
*New York Times Service*

NEW YORK — As the Dow Jones industrial average flirts with the stunning level of 7,000, several leading analysts on Wall Street are counseling that the old rules no longer apply when judging whether the stock market has soared beyond reason.

These market watchers, whom some call the "New Era" group, predict a new period for stocks that is defined by low inflation and the public's keen attraction to stock mutual funds. When the old standbys for valuing stocks are adjusted for these factors, they assert, stock prices look either perfectly reasonable or, at worst, modestly high.

But in boldly rejecting old-style analysis of stock market physics, the New Era group is meeting resistance from a group of traditionalists, many of whom draw on the sobering experiences of past downturns. With an eye on measures used for decades, they fear that investors are being encouraged to pay grossly excessive prices for stocks and will suffer terribly if — when, they declare — the market takes a severe tumble.

The old school, embarrassed at having missed out on the riches of the bull market, finds strength in a long history of market binges and the hangovers that followed. The traditionalists are now taking comfort from the Federal Reserve.

According to minutes released last week, the Fed's policy-making committee observed at its last meeting of 1996 that the market's rally had been "extraordinary and had brought market valuations to fairly high levels relative to earnings and dividends."

Despite the divisions between analysts of the old school and the new one, there is broad agreement that investors should temper their enthusiasm for the market. With major stock indexes having risen so impressively, they say, investors clearly face greater risks.

In some ways, the disagreement over how to view the current stock market is defined by generations and experience as much as methods of analysis. Byron Wien, a 63-year-old traditionalist who is United States investment strategist at Morgan Stanley & Co., recalled an encounter after a presentation in Decem-

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## *Jury's Verdict On Simpson: $25 Million*

By Stephanie Simon
*Los Angeles Times*

SANTA MONICA, California — In an emphatic verdict aimed at punishing him for decades to come, a jury has ordered O. J. Simpson to pay $25 million in punitive damages to the relatives of his former wife, Nicole Brown Simpson, and her friend Ronald Goldman.

"We came to the conclusion that Mr. Simpson should not profit from these murders," said a juror, Stephen Strati.

Mr. Simpson did not attend court to hear the verdicts, though his sister and brother-in-law sat in front-row seats as the judgment was read. The same jury found Mr. Simpson liable for the slayings last Tuesday.

"The man who killed my son and Nicole was held responsible by a court of law," said Fred Goldman, father of Ronald Goldman. "That's all that matters."

[Mr. Simpson said Tuesday that his case was far from over, but would not say much about it because "I don't want to join in this circus atmosphere."

[In a telephone interview with The Associated Press from his home, he declined to comment on any of the legal issues or his personal situation. "It would be premature for me to say anything now," he said. "Obviously, I have feelings. But this is far from over. I have no comment about anything."

[But he added: "Definitely in the

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INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, FEBRUARY 12, 1997



# France Struggles With Crisis of Cultural and Political Identity

Continued from Page 1

said Bruno Megret, deputy leader of the party and husband of the new mayor of Vitrolles. "When we have power, we will organize their return. We will stop renewing their residence cards, and we will force companies to pay a tax on foreign workers that will eventually lead to the foreigners losing their positions."

Such statements have a widening impact. More than a third of French people now say they sympathize with at least some of the National Front's ideas. Even a large city like Toulon has been won. The party's effectiveness appears to reflect the simmering frustration of a country that has lost its way.

As Pierre Birnbaum, a political scientist put it, "Our problem is that we have not found the way to modernize while preserving our imagined community." In other words, how do you leap into the age of the Internet and remain French?

France is still rich and it enjoys a clout beyond its wealth. Its nuclear bomb, its permanent seat at the United Nations Security Council, its central place in European security, its hold on the world's imagination through its wines, perfumes and cheeses, and its universalist pretensions themselves — all carry weight.

The country has many excellent companies; the Bourse rose 27 percent last year. As its leaders never tire of repeating in these dark days, France is the world's fourth-biggest industrial power.

But France has a stagnant economy — growth was barely 1 percent over the past year. Its unemployment rate has swelled to 12.7 percent of the population, more than double the rate in the United States.

The corrosive anxiety pervading France is captured by a line from Rimbaud — "*nos horreurs economiques*" or "our economic horrors" — that is now widely used. The horror is not merely economic. Rather, the phrase captures the extraordinary collective angst of a people seemingly convinced that, as the philosopher Alain Finkielkraut said, "There is a crisis of the modern world."

That crisis, as lived in France, is about cultural and political identity. Market reform, the global panacea, tends to leave the French cold. A hankering for grandeur — some reconciliation of poetry and politics — remains.

In the gathering debate between advocates of the untrammeled global market and those who argue that it accentuates social injustice, France tends to identify with the critics of globalization. Indeed, it increasingly seems to equate its welfare state with its very identity.

The obsession with identity is particularly strong because France is on the verge of two historical steps that critics equate with an abandonment of sovereignty. It is scheduled to adopt the European currency by 1999, thus yielding control over much economic policy; and it has indicated that it will return to the integrated military command structure of NATO, thus abandoning the most potent symbol of the Gaullist "*non*" to Washington.

Both moves, however, appear vulnerable to the present mood.

"The French are confronted by a lot of changes," said a senior adviser to Prime Minister Alain Juppe. "Are they prepared to accept them all? France disappearing into the euro, disappearing into NATO, at the same time as we demand more mobility, harder work and sacrifice? An upheaval cannot be ruled out."

France does not look prerevolutionary. The country's manicured capital, impeccable roads, high-speed trains, glorious food, seductive scents and deep-rooted savoir-vivre provide a compelling image of wealth and tradition. But just as the golden statuary on the bridges of Paris distracts the eye from the homeless sleeping beneath the arches, so the moving beauty of France tends to mask what amounts to a kernel of despair.

Julien Chamblin/The New York Times

**Lawrence Bricogne, like a million other French people, collects about $400 a month from a government unemployment program.**

In Pantin, a few kilometers outside the gates of Paris, there is a housing development called Les Cortillieres, most of whose 5,000 inhabitants are immigrants from Algeria, Morocco and West Africa. Into such places are emptied the human flotsam who cannot afford life in the showpiece capital.

Almost 40 percent of the population is unemployed. Graffiti hurl insults at Mr. Juppe and the police force. Life begins in the afternoon because, for many young people, there is no reason to rise early. Drug dealers hang around in doorways. At the Jean-Jaures Lycée, repeated scrubbing has not quite effaced calls to join the ranks of militant Islamic groups that have carried out recent bomb attacks in Paris.

"Some of these kids have never seen the Eiffel Tower," said Boris Seguin, a teacher at the school. "They live on the margins of the city and the margins of society. If the French republican model stood for one thing, it was integration through education. So you see here how the model is threatened."

The spread of alienated suburbs matters particularly to the French because the revolution and the republic — and their universal resonance — were about the equal rights of citizens.

That system appears to be cracking. The children of these suburbs are angry. In the Tours suburb of La Rabaterie on Oct. 23, 1996, a 22-year-old Frenchman of Algerian descent, Mohamed Boucetta, was found in a coma with a bullet in his head. That led to a series of events that illustrated France's current malaise.

Rage among Mr. Boucetta's North African friends that no assailant was arrested exploded into rioting; the rioting was then apparently compounded when agents from Mr. Le Pen's National Front sought to exploit the situation to gain votes.

After the first night, tracts distributed by the Front began to appear. Some, emblazoned with the party's torch symbol, attributed the vandalism to the "immigration policies" of governments of the left and now of the right.

To one of Mr. Boucetta's friends, Youssef Sana, who is 27 and the son of Algerian immigrants, there is no doubt that his friend was a victim of racist violence: "We are at war here in the suburbs. And we, the children of Algerians, are already losers. It's apartheid; we don't even figure in the system."

He added, "If Mohamed were a white French boy, the case would have been solved long ago." More than three months later, the police say the Boucetta case remains a mystery.

Michel Mesmin, a local municipal official, said, "The only thing that is really clear from all this is we are an increasingly uneasy society, haunted by specters."

That unease appears to be linked partly to the rigidity of a highly centralized system. France's superb technocrats, who planned and managed the country's remarkable reconstruction after World War 11, appear overtaken by the global economy, ill-adapted by their formal training to its challenges. Its labor unions, parading the rags of an exhausted socialist dream, often seem equally fossilized.

Its political class is widely seen as a group of cloned eggheads — Mr. Chirac, Mr. Juppe and the foreign minister, Herve de Charette, all went to the same elite school — out of touch with a population that consistently gives the president and prime minister approval ratings in the 25-to-30 percent range.

At the same time, because socialism was long the source of idealism in France — the sustenance of Left Bank intellectuals and a strong labor movement — and that idealism was simply exhausted by the 14-year rule of Francois Mitterrand that ended in 1995, the country has found itself suddenly bereft of any meaningful ideological debate.

A slogan of Mr. Mitterrand's second seven-year term was "*Ni-Ni*" — neither nationalization nor privatization. It translated into internal paralysis. It appears that it may now take the left several years to fashion a new message for the electorate.

France suffers in this void. "We have no more clear political markers," said Christiane Laporte, a headmistress. "We feel lost."

This sense of loss is evident in France's reluctance to adopt the new. It is a society where fewer than 15 percent of homes have personal computers and fewer than 1 percent are connected to the Internet, figures well below not only the United States but also France's European neighbors.

Opening the new national library in December, Mr. Chirac discovered the computer "mouse" for the first time and gazed at it in wonder. He has spoken dismissively of the Internet as "an Anglo-Saxon network," although he did meet with Bill Gates, the Microsoft titan, this month.

It is not surprising, then, that Mr. Liautaud and Business Objects are scarcely national celebrities, in the mode of a Mr. Gates. Outside business circles, or the world of computer nerds, few people have heard of them.

At the other end of the spectrum from Mr. Liautaud stands Lawrence Bricogne. At age 30, he is four years younger than the entrepreneur, he has a qualification in computer sciences from a technical school but has not worked for almost a decade.

He has a small Paris apartment bought for him by his mother, a piano, a television, a personal computer and an answering machine. He recently sold his car. Every month, like about 1 million other French people, he collects what is known as the RMI — the acronym for the "minimum revenue for insertion." It amounts to about $400; it is what the French state reserves for those not receiving any other unemployment benefits.

"The RMI allows me not to work," Mr. Bricogne said. "It's bizarre, it's probably unhealthy. Without it, I would have taken a job some time ago — night watchman, or a kitchen job in a restaurant. Something menial."

Mr. Chirac has tried to lay out a French "alternative" in which the energy of Mr. Liautaud and the solidarity that protects Mr. Bricogne are somehow married. Official calls for a more entrepreneurial spirit and streamlined state have been spiced with criticism of Anglo-Saxon "flexibility" in the workplace — deemed "anti-social." But this hodgepodge has fallen far short of the galvanizing message that the French habitually await from their leader in this, the most monarchical of republics.

It has left the country hurtling toward union with Europe while its overarching welfare systems and cash-hemorrhaging state companies like Air France or the bank Credit Lyonnais make the competitive demands of Europe and its German-dictated budget discipline hard to meet.

Since succeeding Mr. Mitterrand in mid-1995, Mr. Chirac has tried to battle the National Front by embarking on long-delayed reforms — of the army, the justice system, social security, pensions, state companies — that are designed to give the country momentum and adjust it to the realities of this fin-de-millennium.

On a trip to Tokyo in December, Mr. Chirac spent his time hustling to sell everything from French apples to Airbus planes. For the man who personifies "*la gloire de la France*," it was a considerable step.

Times change. The numbers in France are not good; and capital and jobs, in the global village, are not much interested in a "certain idea of France."

France cannot afford its welfare state but is unwilling to abandon it. It has proved unable to create jobs even as the United States — for all its "downsizing" — has created more than 10 million since 1993. But it is loath to ease the health and social security contributions that make hiring prohibitively expensive.

The minimum monthly wage here is about 5,000 francs, or $900, but after mandatory contributions for pensions, health coverage and unemployment benefits have been paid by employers and employees, it amounts to about 8,200 francs, or $1,465. So, 36 percent of the wage cost comes from social payments, compared with about 10 percent in America.

French and international companies, many of which can now shift jobs to Portugal or Indonesia, are reluctant to hire, particularly as firing anyone is, in the words of one economist, "long, tedious and expensive."

The arithmetic of France's unrivaled social security net is also bleak. Already facing annual deficits of about $10 billion, the social security budget will face enormous pressure as the number of pensioners increases from 12 million to 17.3 million over the next two decades, while the active population scarcely grows, according to official forecasts.

Yet labor unions are demanding the retirement age be dropped to 55 from 60, in line with a settlement reached last year with striking truck drivers. They have also mounted a bitter attack on proposals to introduce American-style private pension funds, saying they will lead to a system "of every man for himself."

France stands at a crossroads. Mr. Chirac has recently argued forcibly for the euro as the only way for Europe to "fight effectively against American hegemony." And he has pressed — unsuccessfully — for French command of NATO's Mediterranean flank as a symbol of European emancipation from American military tutelage.

Full NATO integration or the preservation of a uniquely French membership? Real market reform — privatization, private pension funds, a shareholding culture — or preservation of the centralized, state-heavy French welfare model? America as firm friend or threatening purveyor of an undifferentiated global culture? A European currency and a real commitment to build a federal United States of Europe or the temptations of the National Front's nationalism?

Hesitating before these choices, France quite palpably sags.

"We want to be an alternative, to show that if nobody resists America any more, at least we will," said the sociologist Jean Baudrillard. "The problem is that because we are not sure which model to embody, we tend to offer simply inertia."

# Ruth Brinkmann, Actress, Dies at 62

*New York Times Service*

Ruth Brinkmann, 62, an actress and director who was a founder of the English Theater in Vienna, died there of ovarian cancer Jan. 18.

Ms. Brinkmann was born in Berlin. Her family moved to the United States when she was 3 years old. She eventually attended the Yale Drama School and performed at the Cleveland Playhouse and the Williamstown Theater in Massachusetts before moving to Vienna, where she appeared in an English-language performance of Jerome Kilty's "Dear Liar" in 1963.

Shortly thereafter, she and her husband, Franz Schafranek, a director and dramaturge, founded the English Theater in a small space in the Archduke Karl Palace.

In 1974 they were able to renovate a real 250-seat theater and to begin producing plays year-round. The English Theater staged works by Noel Coward, Simon Gray, Neil Simon and Tennessee Williams, whose "Red Devil Battery Sign" received its premiere there. William Saroyan dedicated his last play, "Tales of the Vienna Streets," to the theater, where one of his earlier works, "Play Things," had its premiere.

### Jean Hewitt, 71, Writer On Food for The Times

NEW YORK (NYT) — Jean Hewitt, 71, a former food writer and home economist for The New York Times and an early advocate of natural foods, died of pneumonia Sunday in the Bon Secours-Venice Hospital in Venice, Florida.

Mrs. Hewitt planned The Times's test kitchen and was in charge of it from its opening in 1969.

She also wrote a number of New York Times Cook Books, including "Main Dish," "Heritage" and "Weekend." She was a charter member of Les Dames d'Escoffier and a lifetime fellow of the Culinary Institute of America.

## TRAVEL UPDATE

### American Airlines Talks Continue

WASHINGTON (AP) — American Airlines and its pilots resumed talks Tuesday with the help of federal mediators in an effort to avoid a strike that could remove one-fifth of U.S. air-travel capacity this weekend.

They face a deadline of midnight Friday to resolve the dispute, which threatens the travel plans of the 200,000 people a day who travel on the nation's largest domestic airline.

Pilots have vowed to strike if no agreement is reached by the end of the federally mandated cooling-off period. The airline says it will close if there is a strike.

### Sabena Forges Deal With Virgin

BRUSSELS (AP) — Sabena will extend its cooperation with Virgin Express to include joint flights from Brussels to Barcelona, the Belgian airline said Tuesday.

The two companies will begin the combined flights Friday using Virgin aircraft. The partnership allows Sabena to divert planes to other routes used mainly by business travelers, while giving Sabena a section of each Virgin Express flight to fill.

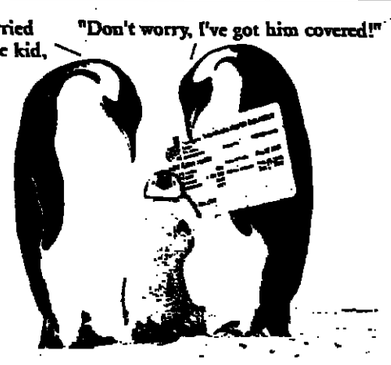
### French Transport Strike's 6th Day

CLERMONT-FERRAND, France (AP) — Transport workers in a dozen French provincial cities paralyzed bus and subway service for a sixth day Tuesday in their campaign for earlier retirement and a shorter work week.

Only 14 of 154 buses here were on the roads for an estimated 50,000 commuters. In recent days, the strike has stopped or severely reduced service in more than a dozen cities.

**People smoking** or playing loud music on public buses and jeeps in Manila will be subject to arrest, the authorities said Tuesday. *(AP)*

**The South African airline Interair** will begin a weekly service between Johannesburg and Douala, Cameroon, on Feb. 23, company officials said Tuesday. *(AFP)*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# London's Adored Red Bus Is Rescued by Green Fuel

*Agence France-Presse*

LONDON — The open-platformed Routemaster, London's favorite red bus, has been rescued from extinction.

An announcement last year that the gas-guzzling, exhaust-belching double-deckers, most over 30 years old, were being phased out for environmental reasons provoked public protest. London Transport said it would reconsider allowing the Routemasters to continue in service if their private operators agreed to the use of more costly ultra-low-sulfur fuels and more efficient catalytic converters.

Keith Weightman, marketing manager of Cowie Leaside, the privatized company that operates more than 100 Routemasters, said London Transport had already approved 46 Routemasters for a major central London route that carries 11 million passengers a year.

Companies have been buying old Routemasters to use as promotional gimmicks. McDonald's has hosted hamburger parties in a Routemaster in Ontario, while Pepsi-Cola uses one to dispense drinks in Istanbul.


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## WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

**North America**
The Great Lakes into the East will average near to a bit above normal through Saturday. A wintry mix could affect these areas Saturday. The deep Southeast and Florida will be mild. Dry and warm in the West with drier and milder weather pushing into the Rockies Friday.

**Europe**
Mild weather will continue to prevail across southern Europe into the weekend, while elsewhere near- to just above-normal temperatures are the rule. The main storm track will shift southward into northwestern and central Europe. A series of storms will affect these areas through Saturday.

**Asia**
Northeastern China, including Beijing, will stay mainly dry and mild through Friday, then turn colder Saturday. Both Koreas and southern Japan will also be mild and dry for the most part. Northern Japan and Manchuria will be cold, while scattered showers will affect Hong Kong.

**Europe**

| | Today High | Today Low/W | Tomorrow High | Tomorrow Low/W |
|---|---|---|---|---|
| Algarve | 18/64 | 9/48 pc | 18/64 | 11/52 pc |
| Amsterdam | 11/52 | 7/44 r | 8/46 | 0/32 pc |
| Ankara | 4/39 | -6/22 pc | 5/41 | -2/28 pc |
| Athens | 16/61 | 8/46 s | 16/61 | 11/52 pc |
| Barcelona | 16/61 | 9/48 pc | 15/61 | 11/52 pc |
| Belgrade | 9/48 | 6/43 c | 15/59 | 4/39 pc |
| Berlin | 12/53 | 5/41 sh | 9/48 | -2/29 pc |
| Brussels | 11/52 | 6/43 r | 8/46 | 4/39 sh |
| Budapest | 4/39 | -1/30 sh | 10/50 | 2/35 c |
| Copenhagen | 6/43 | 4/39 r | 6/43 | 2/35 r |
| Costa Del Sol | 18/66 | 11/52 pc | 20/68 | 11/52 pc |
| Dublin | 11/52 | 6/43 r | 7/44 | 2/35 pc |
| Edinburgh | 9/48 | 7/44 r | 7/44 | 0/32 r |
| Florence | 16/61 | 8/46 pc | 16/61 | 7/44 s |
| Frankfurt | 8/46 | 6/43 r | 6/46 | -3/27 r |
| Geneva | 9/48 | 3/37 sh | 6/43 | 5/41 r |
| Helsinki | -1/31 | -4/25 sn | 0/32 | -3/27 c |
| Istanbul | 9/48 | 3/37 pc | 13/55 | 11/52 s |
| Las Palmas | 20/68 | 15/61 c | 19/66 | 13/55 r |
| Lisbon | 18/61 | 8/46 pc | 15/59 | 11/52 pc |
| London | 12/53 | 6/43 sh | 8/43 | 4/39 s |
| Madrid | 15/59 | 3/37 pc | 16/61 | 5/41 s |
| Mallorca | 16/61 | 11/52 pc | 14/57 | 12/53 pc |
| Milan | 14/57 | 5/41 c | 13/55 | 4/39 c |
| Moscow | -1/31 | -9/27 sn | 2/35 | -4/25 sn |
| Munich | 9/48 | 3/37 r | 10/50 | 2/35 pc |
| Nice | 15/64 | 11/52 pc | 17/62 | 10/50 pc |
| Oslo | 5/41 | 1/34 c | 2/35 | -6/22 pc |
| Paris | 12/55 | 4/39 pc | 7/44 | 2/35 pc |
| Prague | 8/46 | 7/44 r | 8/46 | 0/32 sh |
| Reykjavik | -1/31 | -1/31 sn | 2/35 | -2/28 sn |
| Rome | 16/61 | 8/46 pc | 18/66 | 8/46 s |
| St. Petersburg | -1/31 | -3/27 sn | 0/32 | -3/27 c |
| Stockholm | 3/37 | -3/27 pc | 2/35 | 0/32 sn |
| Strasbourg | 10/50 | 6/43 r | 8/46 | 6/43 sh |
| Tallinn | -2/28 | -3/27 sn | -1/31 | -3/27 c |
| Venice | 13/55 | 7/44 c | 14/57 | 6/43 pc |
| Vienna | 8/46 | 2/35 sn | 12/53 | 1/34 s |
| Warsaw | 7/44 | 3/37 sh | 9/48 | -1/31 s |
| Zurich | 9/48 | 4/39 sh | 7/44 | 4/39 r |

**Middle East**

| | | | | |
|---|---|---|---|---|
| Abu Dhabi | 21/70 | 13/55 c | 22/71 | 11/52 s |
| Beirut | 13/55 | 8/46 pc | 14/57 | 9/48 pc |
| Cairo | 14/57 | 6/43 pc | 17/62 | 5/43 pc |
| Damascus | 9/48 | 1/34 s | 9/48 | 1/34 pc |
| Jerusalem | 8/46 | 1/34 pc | 8/46 | 1/34 pc |
| Luxor | 19/66 | 2/37 s | 21/70 | 1/34 s |
| Riyadh | 18/64 | 10/50 s | 20/68 | 11/52 s |

**North America**

| | Today High | Today Low/W | Tomorrow High | Tomorrow Low/W |
|---|---|---|---|---|
| Anchorage | -1/31 | -5/24 sf | 0/32 | -9/16 sf |
| Atlanta | 12/53 | 3/37 pc | 11/52 | 2/35 sh |
| Boston | 2/35 | -5/24 c | -3/26 | -6/22 s |
| Chicago | -4/25 | -14/7 pc | 0/32 | -6/22 s |
| Dallas | 4/39 | -3/26 r | 9/48 | 2/35 pc |
| Denver | 3/37 | -9/16 pc | 7/44 | -8/16 pc |
| Detroit | -2/28 | -14/7 sf | -3/26 | -6/22 s |
| Honolulu | 26/79 | 18/64 pc | 27/80 | 19/66 pc |
| Houston | 16/61 | 3/37 r | 13/55 | 3/37 pc |
| Los Angeles | 20/68 | 9/48 pc | 24/75 | 7/44 s |
| Miami | 25/77 | 17/62 s | 27/80 | 19/66 pc |
| Minneapolis | -10/15 | -17/2 s | -2/28 | -9/16 pc |
| Montreal | -7/20 | -18/0 sn | -10/15 | -13/9 s |
| Nassau | 28/77 | 17/62 s | 27/80 | 20/68 pc |
| New York | 3/37 | -3/27 c | 1/34 | -4/25 pc |
| Orlando | 21/70 | 11/52 s | 24/75 | 14/57 c |
| Phoenix | 21/70 | 8/46 s | 19/66 | 7/44 pc |
| San Fran. | 14/57 | 7/44 pc | 17/62 | 6/43 s |
| Seattle | 8/46 | 3/37 sh | 12/53 | 6/43 pc |
| Toronto | -5/22 | -17/2 sn | -5/24 | -10/15 s |
| Vancouver | 8/46 | 3/37 sh | 13/55 | 6/43 s |
| Washington | 4/39 | -2/29 c | 2/35 | -4/25 pc |

**Asia**

| | Today High | Today Low/W | Tomorrow High | Tomorrow Low/W |
|---|---|---|---|---|
| Bali | 33/91 | 23/73 c | 32/89 | 23/73 c |
| Bangkok | 30/86 | 24/75 c | 32/89 | 24/75 c |
| Beijing | 8/46 | -6/22 s | 9/48 | -2/28 s |
| Bombay | 31/88 | 15/59 s | 31/88 | 16/61 s |
| Calcutta | 28/82 | 13/55 s | 29/84 | 14/57 s |
| Chiang Mai | 31/88 | 22/71 c | 32/89 | 22/71 c |
| Colombo | 29/84 | 21/70 s | 29/84 | 22/71 pc |
| Hanoi | 19/66 | 16/61 pc | 22/71 | 17/62 r |
| Ho Chi Minh | 32/89 | 24/75 pc | 33/91 | 23/73 pc |
| Hong Kong | 18/64 | 14/57 pc | 21/70 | 16/61 r |
| Islamabad | 17/62 | 2/35 pc | 17/62 | 4/39 pc |
| Jakarta | 30/86 | 24/75 t | 29/84 | 24/75 c |
| Karachi | 23/73 | 8/46 s | 25/82 | 11/52 s |
| K. Lumpur | 32/89 | 23/73 c | 32/89 | 23/73 pc |
| K. Kinabalu | 31/88 | 23/73 c | 31/88 | 23/73 pc |
| Manila | 28/82 | 23/73 t | 28/82 | 22/71 t |
| New Delhi | 24/75 | 5/41 s | 24/75 | 6/46 s |
| Phnom Penh | 31/88 | 23/73 sh | 32/89 | 22/71 c |
| Phuket | 30/86 | 24/75 c | 32/89 | 24/75 c |
| Rangoon | 31/88 | 24/75 c | 32/89 | 23/73 c |
| Seoul | 3/37 | -2/28 s | 4/39 | -4/25 s |
| Shanghai | 8/46 | -2/28 s | 8/46 | -1/31 pc |
| Singapore | 32/89 | 24/75 c | 32/89 | 24/75 pc |
| Taipei | 15/59 | 11/52 pc | 17/62 | 10/50 r |
| Tokyo | 10/50 | 2/35 pc | 11/52 | 3/37 s |
| Vientiane | 19/66 | 16/61 pc | 23/73 | 17/62 r |

**Africa**

| | | | | |
|---|---|---|---|---|
| Algiers | 18/64 | 7/44 pc | 19/66 | 9/48 s |
| Cape Town | 20/68 | 11/52 pc | 23/73 | 13/55 s |
| Casablanca | 18/64 | 8/48 s | 18/66 | 10/50 s |
| Harare | 27/80 | 8/48 s | 29/84 | 8/48 s |
| Lagos | 31/88 | 23/73 s | 31/88 | 23/73 s |
| Nairobi | 23/84 | 10/50 s | 30/86 | 11/52 s |
| Tunis | 18/61 | 7/44 s | 17/62 | 10/50 pc |

**Latin America**

| | | | | |
|---|---|---|---|---|
| Buenos Aires | 22/73 | 17/62 pc | 22/71 | 17/62 sh |
| Caracas | 29/84 | 23/71 pc | 29/84 | 23/73 pc |
| Lima | 27/80 | 21/70 pc | 28/82 | 21/70 pc |
| Mexico City | 23/73 | 7/44 pc | 22/71 | 6/46 pc |
| Rio de Janeiro | 26/79 | 18/64 pc | 25/77 | 20/68 c |
| Santiago | 31/88 | 10/50 s | 29/84 | 13/55 pc |

**Oceania**

| | | | | |
|---|---|---|---|---|
| Auckland | 22/71 | 13/55 c | 21/70 | 13/55 pc |
| Sydney | 25/76 | 24/75 r | 25/82 | 22/73 sh |

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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## THE AMERICAS

# Lobbying Heats Up on Contraception Vote

By Katharine Q. Seelye
*New York Times Service*

WASHINGTON — With the House facing the first abortion-related vote of the new Congress on Thursday, both sides in the debate over money for family planning organizations around the world are seeking to put human faces on their intense lobbying campaigns.

Those who say the United States is guilty of "contraceptive imperialism" Monday produced people from Kenya, Mexico and the Philippines who said programs backed by the United States were oversupplying poor countries with contraceptives while basic health and hygiene needs went unmet.

The critics also said that in their "racist" zeal to control the populations in developing countries, American-backed doctors were inserting intrauterine devices in women against their will.

In turn, Planned Parenthood sponsored a visit by two Russian pediatricians to brief Congress on what they called the benefits of the family planning efforts that the United States had paid for. The doctors said abortions in Russia had fallen to 2.7 million in 1995 from 4.4 million in 1989.

But, the pediatricians added, because of the dire state of the Russian economy, the number of abortions will rise and women's reproductive health will be seriously threatened if Congress does not speed the money for the programs.

Although supporters of family planning argue that the debate has nothing to do with abortion — U.S. law prohibits the use of family planning aid for that — the vote Thursday is shaping up as a classic confrontation between supporters of abortion rights and abortion foes.

At stake is an appropriation of $123 million in a $1.63 trillion budget for aid for family planning programs in more than 100 nations this year.

Interest groups have been lobbying members at home and generating tens of thousands of pieces of mail and telephone calls, mostly aimed at 50 members who are viewed as possible swing votes.

Senator Patrick Leahy, the Vermont Democrat who supports the spending, said, "Buckets of cash are being poured into a campaign to distort this vote and to whip people into a frenzy about it."

The vote is on two measures. An administration-backed resolution would have the Agency for International Development advance the date to release the money from July, when it would amount to $92 million, to March, when it would be $215 million.

The second measure, offered by Representative Christopher Smith, Republican of New Jersey, would provide $385 million for family planning, on the condition that no money would go to any organization that performs abortions, even if the organization uses private money for that.

### ■ Doubts on Amendment's Fate

*David E. Rosenbaum of The New York Times reported:*

Afraid that they do not have the votes for approval, House Republican leaders have decided to postpone at least until next month further action on a constitutional amendment to require a balanced federal budget.

The decision Monday was the latest indication that adoption of the proposed amendment is in serious doubt. It would require approval by two-thirds of those voting in the House and Senate and then ratification by three-fourths of the state legislatures.

The House Judiciary Committee, which was scheduled to vote on the measure Tuesday, announced Monday that the meeting had been canceled. Sam Stratman, the committee's spokesman, said the leaders wanted to wait until the Senate voted, hoping that approval there would give the measure momentum in the House.

But approval in the Senate is by no means a certainty. Debate began on the Senate floor last week, but no vote is scheduled. Senate leaders from both parties agree that the outcome there hinges on the votes of four freshman Democrats who have not announced their positions.

The proposed amendment would require that the federal budget be balanced by 2002 or two years after ratification by the states, whichever came later. The requirement could be overridden only by three-fifths majorities in the House and Senate.

An almost identical measure was approved in the House in 1995 by a vote of 300 to 132, 12 votes more than the two-thirds needed. But the amendment was rejected by one vote in the Senate.

Almost all Republicans in Congress support the amendment, and most Democrats oppose it. President Bill Clinton is strenuously opposed. The proposed amendment has been a central part of Republican doctrine for years.

## POLITICAL NOTES

Rich Hein/The Associated Press

**PROTEST — Jesse Jackson being arrested at a construction site in Chicago, where he was protesting a white-owned firm's decision to end a contract with a black trucking company. He spent the night in jail.**

### *Democrat to Retire*

WASHINGTON — Representative Lee Hamilton, Democrat of Indiana, a 17-term lawmaker who is one of his party's leading voices on foreign policy, will not seek re-election in 1998.

"I am deeply grateful to the people of southern Indiana for placing their trust in me for these many years, and I hope they feel that I have served them well," Mr. Hamilton, 65, said Monday in a statement.

The retirement, the first of the 105th Congress, presents an opportunity for Republicans. Mr. Hamilton's district tends to be culturally conservative, with more in common politically with the South than with the Midwest.

Analysts predict that many veteran Democrats could decide to retire as trends point to a continued Republican majority through at least 2000. As part of his effort to win a House majority in 1998, the House minority leader, Richard Gephardt, Democrat of Missouri, asked Democrats to let him know by this summer whether they plan to retire so the party can recruit candidates and they can begin raising funds.

A cerebral lawmaker with a folksy manner, Mr. Hamilton has made his mark on foreign policy. In the 1980s, he led opposition to American aid to the anti-communist contra guerrillas in Nicaragua and was House chairman of the special panel that investigated the Reagan administration's support of the contras.

In 1991, he strongly opposed giving President George Bush authority to wage war in the Gulf. As chairman of the House Foreign Relations Committee in 1993 and 1994, Mr. Hamilton championed President Bill Clinton's decisions to send U.S. troops to Bosnia and Somalia but was less enthusiastic about intervention in Haiti. *(WP)*

### *Clinton Acts Locally*

ANNAPOLIS, Maryland — Clearly comfortable in his own tribe, President Bill Clinton has begun politicking among the politicians, starting his itinerant national campaign to create education standards and to soften changes in the welfare system by addressing a special session of the Maryland Legislature.

In the first of what aides say may be many such exhortations of state legislators, Mr. Clinton on Monday urged Maryland and other states to embrace as-yet-undeveloped national standards in reading and math. And, mocking those who attacked previous welfare laws, Mr. Clinton warned the legislators to gird for the impact of changes in the system.

"This welfare reform bill had this ringing declaration: Everybody who can work, everybody who's able to work, has to take responsibility for their own lives," said Mr. Clinton, who signed the bill into law.

"No more permanent dependency. Full of moral precepts. Well, the morality shoe is now on the other foot."

He added, "The challenge is primarily on you and the employer community, which is the way you said you wanted it." *(NYT)*

### *Bipartisan Unity?*

WASHINGTON — Meeting at the Capitol in a show of bipartisan unity, President Bill Clinton and congressional leaders agreed Tuesday to try balancing the budget and to tackle other issues on which they share common ground.

Besides an attempt at compromise on balancing the budget by 2002, lawmakers said the two sides would focus on improving education, moving welfare recipients to jobs, cutting taxes, cracking down on juvenile crime and dealing with the District of Columbia's wide-ranging problems. Bipartisan working groups would be formed to seek solutions.

The two sides promised a productive year.

"I think everybody involved felt that it was an excellent start and an excellent meeting," Vice President Al Gore said.

The Senate majority leader, Trent Lott, Republican of Mississippi, said, "The atmosphere was the best I've seen in some time."

Mr. Gore said the two sides wanted to avoid "the kind of tension that would slow down progress in the areas where we know we can eventually find agreement." *(AP)*

### *Quote/Unquote*

*President Bill Clinton on the O. J. Simpson verdict:* "In terms of the jury verdict, that's the system we have in America. It's over as far as I'm concerned. We need to get on to other things. But we always need to be working on how to bridge these divides between us." *(AP)*

# 2 Are Convicted In Murder of Jew

## *Racial Case Inflamed N.Y.*

By Blaine Harden
*Washington Post Service*

NEW YORK — In a racially charged murder case that has stirred passions in New York for more than five years, a jury in Brooklyn has convicted two black men of violating the civil rights of a Hasidic Jew who was stabbed to death during race riots in 1991 in the Crown Heights section of the city.

Lemrick Nelson Jr., 21, was tried for murder and acquitted by a mostly black jury in 1992, a verdict that outraged the local Jewish community. New York politicians subsequently brought pressure on Attorney General Janet Reno to launch an investigation, and Mr. Nelson was indicted two years later on federal charges of violating the civil rights of the victim, Yankel Rosenbaum, by stabbing him because he was a "Jewish person."

The jury that convicted Mr. Nelson this week as well as Charles Price, 43, who had been charged with inciting a black mob to "get Jews," had a substantially different racial makeup than the one in the state murder trial. The jury, which deliberated for 20 hours over four days, was made up of two Jews, three other whites, three blacks and four Hispanics.

The trial, while criminal in nature, carried echoes of the O.J. Simpson civil case that has just ended, in that it was a second court test for a black defendant originally acquitted of murder. It is unusual for federal authorities to use civil-rights statutes in such a case, although the tactic was successfully employed to try white police officers in the Rodney King beating case in Los Angeles.

When the verdict was announced Monday, Mr. Nelson dropped his head to a courtroom table and sobbed. He was 16 when the Crown Heights riots erupted and now faces six to 20 years in prison under federal sentencing guidelines. Mr. Nelson, whose bail was revoked after the verdict, has been arrested several times since his murder acquittal and has pleaded guilty to slashing another youth with a razor.

The victim's brother, Norman, a lawyer who came from Australia for the trial and who had campaigned for years in New York and Washington to get the case reopened, said after the verdict that the justice system "can work."

As in the Simpson case, Mr. Nelson's lawyers argued in both trials that their client had been framed by police who had planted evidence.

As part of that strategy last week, Mr. Nelson paced around in a federal courtroom wearing the government's prime piece of evidence: baggy jeans stained with Mr. Rosenbaum's blood. The defense contended that the pants were evidence made up by the police and could not have belonged to the defendant because they did not fit. As Mr. Nelson paraded in front of the jury, the pants fell to his knees.

This "does not fit, must acquit" defense, which Mr. Simpson's lawyers used effectively with a pair of bloody gloves in his murder trial, was ridiculed by a prosecutor.

"Like it's a big surprise that teenagers in Brooklyn in the 1990s would walk around with big baggy pants," said Alan Vinegrad, calling it a ploy copied "from that trial on the West Coast," meaning the Simpson trial in Los Angeles. Mr. Price, who was videotaped in 1991 as he encouraged a crowd to take vengeance on Jews, showed no reaction to the verdict. Because he has a long record of pleading guilty to crimes such as larceny and drug possession, prosecutors say he faces 15 years to life in prison.

Norman Rosenbaum as well as many Jewish leaders in Crown Heights had complained that the justice system was not aggressively investigating the case for fear of offending blacks.

The rioting began in Crown Heights in August 1991 after a black boy, Gavin Cato, 7, was run over and killed by an out-of-control car in the motorcade of a Jewish religious leader.

There are about 180,000 blacks in Crown Heights, along with about 20,000 members of the ultra-Orthodox Lubavitcher sect.

The failure of New York police to quell the riot led to a scathing state report that faulted then-Mayor David Dinkins and contributed to his election defeat in 1993.

The driver of the car that ran a red light and killed the boy, Yosef Lifsh, was never prosecuted — a fact that many Crown Heights blacks have called a gross injustice.

## Away From Politics

• **The space shuttle Discovery blasted off** on a 10-day mission to modernize the powerful Hubble Space Telescope. The seven astronauts will replace two instruments built with 1970s technology and install modern parts in others that will allow scientists to peer even farther into time and space. They plan to install a new imaging spectrograph and a new near-infrared camera. *(AP)*

• **The New York State Board of Regents has ousted** all 18 trustees of Long Island's Adelphi University after contending that they failed to prevent the president, Peter Diamandopoulos, from pursuing policies harmful to the school and instead rewarded him with salary and benefits exceeding $800,000. *(WP)*

• **Georgia's state flag was removed** from New York state's Capitol in Albany after some lawmakers complained that the Confederate symbol emblazoned on it was offensive. Governor George Pataki said the flag contained a "symbol of hatred" for all Americans, and the chairman of the state's Black and Puerto Rican Legislative Caucus climbed a ladder in the Hall of Flags to take it down. *(AP)*

• **Eight students** at Frostburg State University in Maryland were charged with manslaughter for the alcohol poisoning death of a freshman who got drunk at a fraternity party. The freshman, John Eric Stinner, 20, consumed at least six beers and 12 shots of vodka in two hours at the off-campus Kappa Beta Zeta party. *(AP)*

# Top U.S. Soldier Is Suspended In Assault Case

*New York Times Service*

WASHINGTON — Under growing pressure from Congress, the U.S. Army has suspended its highest-ranking enlisted soldier while he is being investigated over accusations of sexual assault and harassment.

The action Monday against the soldier, Gene McKinney, the sergeant major of the army, came as army officials said they had received at least one new complaint that he had sexually harassed a woman. Some officials, speaking on condition of anonymity, said there were two new complaints.

"There are other allegations," said one senior army official.

Mr. McKinney stepped down last week from a senior army panel reviewing the army's policies against sexual harassment. He did so after a retired sergeant major said he had asked her for sex, grabbed her and kissed her in a hotel room during a business trip.

# *Armed Forces Toe a New Line*

## Latin American Generals, for Most Part, Stay Within Law

By Diana Jean Schemo
*New York Times Service*

QUITO, Ecuador — When Rosalia Arteaga addressed Ecuadorans for the first time as their interim president, her backdrop was a sea of stars and bars, representing the country's most powerful admirals and generals lined up behind her.

While the generals did not actually chose among the three claimants to the president's office, they operated behind the scenes to broker a solution that ushered an eccentric populist out of office, gave the vice president her constitutional due and set the stage for new elections next year. The outcome quelled angry street protests and stayed within the boundaries of the law.

The Ecuadoran military is regarded as among the least iron-fisted in Latin America. But the role

NEWS ANALYSIS

it played this week reflected the way the militaries of the continent now wield their power.

They still exert a political influence that democracies in North America or Europe would find unnerving. But the current military profile in much of Latin America is far more subtle than it was in the days of strongmen in uniform and hit squads, and the military is preoccupied with assuring its own political and economic survival as an institution.

"The generals realize that military institutions do better under democracy," a diplomat here said. "They don't have to tackle the hardest questions."

Nobody claims Latin American militaries have become branch offices of Amnesty International. In Colombia, Peru, Brazil and elsewhere, armies have been accused of brutal behavior against those who challenge the established order.

But in a series of hemispheric meetings, the armed forces have also pledged to protect democracy and constitutions, and for the most part seem to be following their word.

In Colombia, the military has resisted pressure from business leaders and other sectors for a coup to remove President Ernesto Samper, whose alleged acceptance of $6 million from drug dealers has made him the bane of Washington.

Nor was the message lost on the military in April, when a Paraguayan general, Lino Cesar Oviedo, tried to seize power from President Juan Carlos Wasmosy. Neighboring countries were swift to signal their rejection, scuttling his power play.

"There's been an effective consensus built that constitutional rule is the way of the future in South America," said Bill Spencer of the Washington Office on Latin America.

In Ecuador, Colombia and Chile, the military also has vast economic holdings, which a share of the country's oil profits, hotels, airlines and factories.

In Chile, the military plays a central role in opening the south to economic development, noted Frederick Nunn, a professor of history at Portland State University. "They see themselves as a last bastion of national values in an age of international everything," Mr. Nunn said.

The military now is often as providing the framework for democracy to function, and stepping in like a stern parent when the political high jinks threaten to get out of hand. Often, it is the institution that has most penetrated the countryside, reaching remote areas.

When General Paco Moncayo, chairman of Ecuador's joint chiefs of staff, mediated the presidential transition here, he said he saw the military as largely assuring order and security while the National Congress worked to fill in the "legal vacuums" of a poorly written constitution that contained no clear rules for presidential succession.

DEATH NOTICE

**CARVELY, Andrew,**

on February 4 in Virginia USA, from a heart attack.

Born Cairo, Egypt, November 30, 1932, he was educated at Victoria College, Cairo, and Washington University, St Louis, USA. Staff member and lecturer, Victoria College, and staff writer, Egyptian Gazette, Cairo. Joined US Department of State 1958 and served in US Embassy, Libya.

Founded NTW Publications Research Associates, a group of independent consultants, with research library and offices in Virginia, near Washington DC. Co-directed NTW research program, the source for the ideas reflected in his publications, consulting work, training programs and lectures. A life-long student of the history and politics of the Middle East and North Africa, he was most recently researching Islam's modern political movements. He will long be remembered by his family and many good friends throughout the world.

Funeral Wednesday 12 February at 12 noon at Moser Funeral Home, 223 Broadview Avenue, Warrenton, Virginia 22186. Following the service, friends will be received from 2 to 5 p.m. at New Clouds Hill Research Center, 13256 Golden Drive, Sumerduck, Virginia 22742, tel. 540-439-3386, fax 540-439-2455. Condolences may be sent to Carol French at New Clouds Hill.

In lieu of flowers, contributions may be sent to the American Horse Protection Association, 1000 29th Street NW, Suite T-100, Washington DC 20007.


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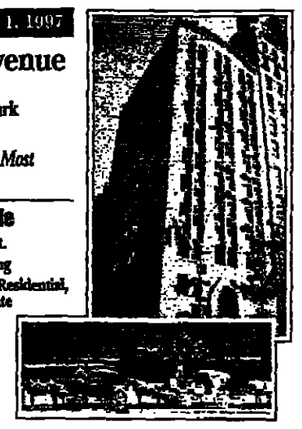

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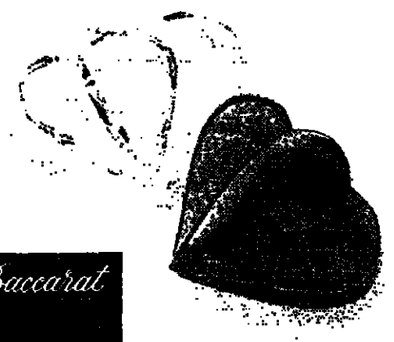

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## ASIA/PACIFIC

# 2 Top Seoul Aides Held in Loan Case

*Reuters*

SEOUL — Prosecutors on Tuesday arrested a close associate of President Kim Young Sam and a top governing party official over a loan scandal surrounding the failed Hanbo Steel & General Construction Co.

Hong In Kil, a senior official at the presidential Blue House before he was elected to Parliament last year, and Chung Jae Chul, the highest-ranking New Korea Party official after Mr. Kim and the party chairman, were arrested.

A prosecution official said they were charged with taking kickbacks from the founder of Hanbo Group, Chung Tae Soo.

They are the first politicians to be arrested in the loan scandal, which has shocked South Korea and put the heat on Mr. Kim in a presidential election year.

The Hanbo tycoon has already been arrested on charges of fraud and other violations in connection with five trillion won ($5.8 billion) in loans the steelmaker piled up before it was declared insolvent Jan. 23.

Two bankers have also been arrested on bribery charges.

The prosecution official said Mr. Hong was accused of taking 800 million won on four occasions last year from Chung Tae Soo, who asked him to persuade banks to provide loans to Hanbo Steel.

Chung Jae Chul, the lawmaker, was accused of accepting 100 million won from the Hanbo founder, who asked him to pressure bankers into offering loans, the official said.

He was also accused of passing on 100 million won to an opposition member of Parliament, Kwon Roh Kap, from the tycoon, who tried to silence criticism over the huge loans that exceeded the value of their collateral.

President Kim, who last month ordered an inquiry into the loans, has called the scandal a typical example of corruption.

Prosecutors also questioned the Hanbo founder's driver Tuesday on suspicions he carried apple crates stuffed with cash to bankers and politicians, said the senior prosecutor, Choi Byung Koog.

"The driver is a very important person in our investigation," Mr. Choi said.

Mr. Hong, the aide to Mr. Kim, denied taking money from Hanbo before he was summoned by prosecutors Monday.

Mr. Kwon said he had nothing to do with Hanbo loans. But he has said he took 150 million to 160 million won from Hanbo, partly to finance an election campaign.

The other lawmaker, Mr. Chung, has not commented publicly.

Prosecutors have also summoned Mr. Kwon, a top aide to Kim Dae Jung, who heads the main opposition National Congress for New Politics.

But National Congress and a smaller opposition group, the United Liberal Democratic Party, urged him Tuesday not to report to the prosecution office.

"The prosecutors are trying to implicate the opposition to whitewash the nature of the Hanbo incident while trying to cover up real power behind the scene," said Yun Ho Jung, a spokesman for National Congress.

Mr. Kwon, who earlier said he would report to prosecutors Tuesday, said he would now wait until they served him an official summons. Earlier, Mr. Kwon had been summoned by telephone.

The two opposition parties have alleged that government favoritism allowed Hanbo to expand its steelmaking flagship company and acquire or set up 18 firms in the past three years.

Will Burgard/Reuters

Celebrating the Chinese spring festival, paraders in imperial garb march in Beijing in hopes of a good harvest.

## BRIEFLY

### Sri Lanka Legislator Is Killed

COLOMBO — Gunmen shot and killed a governing party legislator and wounded another in southern Sri Lanka on Tuesday in the first incident of violence during an election campaign, police officials said.

The legislator, Nalanda Ellawala, 29, of the People's Alliance, died after being shot three times in the chest, the officials said. Another People's Alliance lawmaker, Dilan Perera, was wounded in the attack.

The attackers opened fire on Mr. Ellawala and Mr. Perera in Kuruwita, a town in the southern Ratnapura district, where they had gone to file nominations for others in next month's local government elections. *(AP)*

### A Return to '50s for Vietnam?

HANOI — Prime Minister Vo Van Kiet, considered a leading proponent of economic reforms, called Tuesday for a revival of 1950s-style labor policies involving millions of people in huge construction projects.

Mr. Kiet, 74, said in an interview with the official Vietnam News Agency that mass mobilization of the country's work force was needed to modernize Vietnam's crumbling national infrastructure.

The agency said Mr. Kiet recalled precedents for the policy, including the involvement of millions of people in such projects as the building in the 1950s of an irrigation system near Hanoi and the Ho Chi Minh Trail. *(Reuters)*

### South Korean Novelist Jailed

SEOUL — A Seoul court sentenced a South Korean novelist to three and a half years in jail Tuesday for illegally visiting North Korea and revealing state secrets.

A court official said the novelist, Kim Yong, known as his pen name Kim Hah-ki, was found guilty of "revealing national secrets during questioning by North Korean authorities after illegally entering North Korea."

No details were given of what secrets Mr. Kim passed on to the North. The novelist, who was held in North Korea for two weeks for a border violation, was arrested on his return home in August on charges of visiting the North without seeking approval from Seoul. *(Reuters)*

### For the Record

**Support for Prime Minister Ryutaro Hashimoto** of Japan has plunged in the last two months, with voters critical of wasteful state spending and pessimistic about government reform promises. The Tokyo daily Asahi Shimbun said the approval rating for Mr. Hashimoto had fallen to 42 percent from 55 percent in December. *(Reuters)*

**The United Nations High Commissioner** for Human Rights, Jose Ayala Lasso, has accepted a government invitation to visit China. No date has been set for the trip, whose object would be to continue the "constructive dialogue" with Beijing on human rights. *(Reuters)*

# *West China's 'Never-Ending' Conflict*

*Agence France-Presse*

BEIJING — For most of China's Muslim population, brotherhood with neighboring Central Asian nations far outweighs loyalty to the Chinese empire that has controlled them — with varying success — for two millennia, according to experts on the region.

Whatever it does, Beijing appears unable to extinguish pro-independence sentiments that spark into violence in a sporadic, but increasingly common, pattern.

"The battle in Xinjiang is never-ending," said a Western diplomat with 10 years' expertise on China and its relations with its Islamic neighbors in Central Asia.

"Beijing will never give up its strategic link to Central Asia and Pakistan, but certain elements of the ethnic Uighur population will attack their Chinese rulers whenever they have a chance," he added.

Last week's rioting in the western Chinese border town of Yining, near Kazakstan, was the most violent reported outburst since Communist China regained control of the region following chaos during its civil war against the Nationalists in the 1940s.

With reports of up to 40 dead in Yining, Chinese troops moved swiftly to seal off the town, closing roads and the airport, imposing a curfew and rounding up 1,000 Muslims in buses commandeered from the local transport company.

An exile Uighur group in Kazakstan put the toll as high as 80, but that report and many others from the region are impossible to verify.

Fears of further violence must rest heavy on Chinese officials.

They have already launched a year-long crackdown on the separatists, who hark back to the early 1940s when a Muslim of Kazak origin established the short-lived independent republic of East Turkestan in Xinjiang.

The leader, Osman, was executed in 1951 and Beijing started to move large numbers of ethnic Chinese into the region.

Xinjiang — which translates as new frontier — now has a 37 percent ethnic Chinese population.

The crackdown coincides with a fresh resurgence of separatist sentiment across Xinjiang, brought about by the 1991 collapse of the Soviet Union and the newfound freedom of Kazakstan and its neighbors. According to exiled separatists in Kazakstan — which is only 50 kilometers (30 miles) from the troubled town of Yining — some 57,000 suspected pro-independence supporters, including academics and clerics, were arrested by Chinese authorities last year.

The exiles also say that Muslim terrorists have stepped up their activities in the region.

They killed 450 Chinese soldiers and militiamen in a series of attacks in the regional capital, Urumqi, in April and 20 more soldiers in street battles in the towns of Karamay and Turfan, the exiles also say.

In addition, the terrorists bombed military vehicles in Urumqi in February, set off 47 explosions on Xinjiang's railway network since July and stole important copies of the Koran from the Xinjiang Islamic Studies Center, the exiles say.

China has retaliated by sending emissaries to all of the neighboring Central Asian states — Tajikistan, Kyrgyzstan and Kazakstan — and extracted promises from their governments that they will not support any separatist movements in Xinjiang.


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12-2-97

EUROPE

# Secret Files Could Open New Chapter in Spain's 'Dirty War' Saga

By Craig R. Whitney
*New York Times Service*

BILBAO, Spain — The Spanish Supreme Court in Madrid is scheduled to examine on Wednesday a dossier of 18 secret Spanish military intelligence reports that have been subpoenaed by prosecutors.

They are investigating whether the deaths of 27 suspected Basque militants at the hands of the Anti-Terrorist Liberation Groups between 1983 and 1987 were actually part of a secret paramilitary operation conceived and carried out by the Spanish government itself, possibly with the knowledge of Felipe Gonzalez, who was prime minister at the time.

The investigators asked the Supreme Court to force the government to declassify the original papers from Defense Ministry files so that they can use them as evidence to try the officials they have charged, and it is this question that the court agreed to rule on after it views them Wednesday.

Mr. Gonzalez, a Socialist, has repeatedly denied all involvement.

But the cloud over him contributed to his narrow election defeat last year by Jose Maria Aznar, a conservative, who became prime minister.

Last November, the Supreme Court declared Mr. Gonzalez immune from prosecution on the basis of the evidence that was available then.

But the issue of what is generally called the "dirty war" goes far beyond personalities.

Acknowledging the misdeeds of a young democracy that was still trying to shake the legacy of nearly 40 years of fascist dictatorship when it apparently decided to use police terrorism to fight Basque terrorism in the early 1980s, in the view of the Spanish journalists and others who have been leading the campaign to expose them, is vitally important to strengthening the foundations of that democracy today.

Mr. Aznar's conservatives, once in office, followed Mr. Gonzalez's decision to keep under wraps the military intelligence reports that the Supreme Court will examine, but if the court orders them declassified, prosecutors could reopen the issue of Mr. Gonzalez's possible involvement.

Sixteen former police officers and government officials, including a former Interior Minister who was close to Mr. Gonzalez, have been charged so far.

Purported copies of the defense papers were published in December by two rival newspapers, the pro-Government El Mundo and the Socialist-leaning El Pais, and Defense Minister Eduardo Serra blurted out then that they appeared to be identical to the ones the prosecutors were asking for.

El Pais published all of the copies at once, although it did not know for sure that they were genuine, its editors said, to keep its rival from publishing one of them at a time for weeks as a sort of water torture against Mr. Gonzalez and the Socialist opposition.

If the texts are genuine, the Spanish state appears to be deeply implicated in more than a score of other killings of members of the Basque separatist group ETA. The group has killed more than 760 people since 1968 and battled both dictatorship and democracy in its struggle for independence for the 2.5 million Basques in northern Spain. Its initials stand for Basque Homeland and Liberty in the Basque language.

In 1983 alone, terrorists killed about 100 people in Spain. The Spanish police knew that scores of terrorists had slipped across the border, where the French authorities generally regarded them as refugees and took no action against them.

In reaction, the Spanish police and security authorities apparently decided to fight fire with fire, with the French police sometimes looking the other way.

The Anti-Terrorist Liberation Groups, called GAL after the initials in Spanish, often used incompetent French gangsters to do the dirty work. They held a French furniture dealer, Segundo Marey, for 10 days thinking he was somebody else, and killed seven other people by mistake who had nothing at all to do with Basque terrorism.

Two lower-ranking national police officers who were sentenced in 1991 to 108 years each in prison for their involvement in a botched kidnapping operation carried out by the Anti-Terrorist Liberation Groups have implicated senior government officials, including Jose Barrionuevo, a close associate of Mr. Gonzalez who served as interior minister, and Rafael Vera, a former government secretary of state for security affairs.

Other "dirty war" cases brought by prosecutors involve allegations of misuse of millions of dollars in secret government funds allegedly used to pay mercenaries, bribe French police, or buy silence from witnesses, and charges that an indicted banker, Mario Conde, bought the secret defense papers from Colonel Juan Alberto Perote, who had allegedly obtained them illegally before his dismissal, and that Mr. Conde then leaked them to El Mundo.

The story is a tangled one with plenty of subplots. Mr. Conde, who has been charged with fraud in connection with the $4 billion failure of the Banesto bank that he headed until 1993, is said to have originally had the idea of threatening to keep the secret papers unless prosecutors dropped the fraud charges.

But all the threads of the story so far seem to break off well before they reach the former prime minister's level.

# Albanian Leaders Seek Emergency Measures

## *Violence Flares Anew After 3 Die in Protests*

*Agence France-Presse*

VLORE, Albania — The Albanian government asked the country's Parliament on Tuesday to impose a state of emergency in this Adriatic port, where furious protesters rampaged, burning buildings and attacking the police.

"The situation in Vlore is extraordinary — it calls for extraordinary measures," Prime Minister Alexander Meski said on national radio. He said that the country's "constitutional order" had to be protected.

Violence flared anew Tuesday as thousands of people attended the funeral of a man killed Monday in the worst unrest to affect Albania in the recent wave of protests sparked by the collapse of get-quick-rich investment schemes.

Early Tuesday, an angry mob of about 100 set fire to the local headquarters of the ruling Democratic Party as mourners gathered for the funeral.

Flames leapt from the party's buildings in a working-class district of Vlore, where riots in the last two days have left three people dead and more than 150 wounded.

Some 30,000 people, shouting anti-government slogans, accompanied the man's open coffin to the cemetery.

"The government is directly to blame for your despair," Kurd Kola, a former political prisoner and member of a right-ist opposition party, told mourners at the cemetery where the dead protester, Arthur Rustemi, was buried.

Protesters said that Mr. Rustemi, 30, was shot by police during the clashes Monday, but the Interior Ministry said he was hit by a stray bullet fired by protesters.

After the funeral the crowd headed slowly back to central Vlore, where few police officers were in evidence. Albanian Army units seen in recent days on heights around the southern port town were also absent.

Demonstrations have shaken Albania following the collapse of the high-risk investment schemes, in which hundreds of thousands of Albanians had put their life savings.

Many accuse the government of collusion with those who ran the fraudulent funds, or of failing to take timely action to control the schemes.

The government rejects these accusations and has in turn accused the opposition of opportunistically fanning unrest.

The opposition Socialist Party, a revamped group of former Communists who ruled this impoverished country for almost 50 years, has called for early elections.

Armando Babani/Agence France-Presse

**Albanians shouting anti-government slogans in Vlore on Tuesday during the funeral of a protester shot Monday.**

# Band Conductor Shot to Death at Basque Carnival

*The Associated Press*

MADRID — As funerals were held Tuesday for a Supreme Court judge and another victim of terrorism, a gunman killed a businessman — the third attack blamed on the Basque separatist group ETA this week.

A gunman dressed in black shot Francisco Arratribel in the face as Mr. Arratribel conducted a band during carnival celebrations in the Basque town of Tolosa, an Interior Ministry spokesman said. The gunman, who was reported to be wearing a mask of some sort, fled on foot.

Interior Minister Jaime Mayor Oreja attributed the latest attack to the group ETA, which has been fighting for independence for northern Spain's Basque region since 1968.

Speaking to reporters at the funeral of Rafael Martinez Emperador, the Supreme Court justice who was shot dead Monday, Mr. Mayor said: "We will not be coerced by terrorists. ETA will not have its way."

A former interior minister, Juan Alberto Belloch, said: "With this attack, it looks like ETA is opening up all its channels for killing. It chose this moment so as to intimidate the government."

In the southern city of Granada, five minutes of silence were held in memory of an air force barber, Domingo Puente, who was killed in a car-bomb blast on Monday. The car bomb was believed planted by ETA.

# Election Changes in Serbia Are Delayed

*Reuters*

BELGRADE — Serbian ultranationalists delayed Parliament's vote Tuesday on reinstating opposition victories in local elections while students began a new round of pro-democracy street protests.

Reporters outside Parliament were able to watch closed-circuit television showing 147 parliamentarians gather in the 250-seat assembly. It quickly became apparent that the Serbian Radical Party, an ultranationalist group with 35 parliamentarians, was holding up the legislation.

"Absolutely there was an obstruction of Parliament by the Radical Party," said the federal trade minister, Djordje Siradovic. "I don't understand what they are really after."

The Radicals have submitted draft amendments challenging the bill to recognize the opposition's gains in the elections, saying that as it stands it allows the international community to use Parliament to legalize decrees imposed from above.

President Slobodan Milosevic's Socialists annulled opposition victories last November in 14 towns and cities, including Belgrade, on the ground of irregularities.

That action prompted three months of huge protests and attracted an international outcry.

A week ago Mr. Milosevic announced that he was asking Parliament to approve a bill recognizing the opposition's gains.

The three-party opposition Zajedno coalition saw Mr. Milosevic's introduction of a special law as a triumph for the protesters in Belgrade and other cities. But, suspecting subterfuge on the part of the Socialists, opposition politicians said they planned to keep up the pressure by continuing the rallies.

The opposition coalition has said it fears that even when the special bill is passed by Parliament, Mr. Milosevic will remove the already limited powers of local councils with legislation stripping them of their sources of revenue.

In Washington, Secretary of State Madeleine Albright issued a personal appeal to Mr. Milosevic, urging him to ensure that the disputed election results were reinstated and to open a dialogue with his opponents.

Her comments were part in a letter delivered to Mr. Milosevic on Saturday.

## BRIEFLY

### *Italy Magistrates Were Spied On*

ROME — Hundreds of left-leaning magistrates, including a current speaker of Parliament, were spied on by Italy's secret services for much of the Cold War, newspapers reported Tuesday.

Investigators said Monday they had opened an inquiry after files detailing the activities of 323 leftist magistrates were discovered in an Interior Ministry office last October.

"This is a very worrisome episode which at least shows how far we have progressed since then," Justice Minister Giovanni Maria Flick was quoted as saying in Turin's La Stampa daily.

The files were kept from the early 1960s until 1980, the newspapers said, adding that dossiers on the speaker of the lower house of Parliament and former magistrate, Luciano Violante, and on a top anti-graft magistrate, Gerardo D'Ambrosio, were among those found.

"They've discovered a file on me? What kind of news is that? I would have been surprised by the contrary," Mr. D'Ambrosio was quoted as telling La Repubblica.

Mr. D'Ambrosio was part of the elite pool of Milan magistrates whose vast corruption inquiries helped topple Italy's political old guard in the early 1990s. *(Reuters)*

### *Yeltsin's Recovery Is Called Slow*

MOSCOW — President Boris Yeltsin is recovering slowly from pneumonia and he will not return to the Kremlin quickly, his press secretary said Tuesday.

"The rehabilitation goes rather slowly," Sergei Yastrzhembsky said at a Kremlin briefing.

He added: "Although the president is getting better little by little, including in his physical activity, which is shown by the greater number of meetings and a more intense work schedule, I want to repeat that we should not expect a speedy return to the Kremlin."

Mr. Yeltsin was hospitalized with pneumonia Jan. 8, two weeks after his return to the Kremlin following quintuple heart bypass surgery in November. He has made several brief visits to the Kremlin in recent weeks, but spends most of his time at his country residence. *(Reuters)*

### *French Protest Vote for Far Right*

VITROLLES, France — Fifty high school students, chanting "Liberty, Equality, Fraternity," staged a brief sit-in Tuesday at the city hall of this southern French town to protest the election of a new extreme-right mayor. The police in Vitrolles were on alert after the election Sunday of Catherine Megret of the National Front, which sparked violence Monday night.

The National Front, often accused of racism and anti-Semitism, blames North African immigrants for the record postwar unemployment in France.

A group of about 30 young men set fire to cars and broke the windows of a primary school near the city center Monday evening in anger over the election, the police said. Most of the group were of North African descent.

The police stepped up citywide patrols throughout the night, and arrested 18 young men who were found to be carrying knives. The police said six of those arrested were released Tuesday. *(AP)*

### *Greece Bolsters Border Security*

ATHENS — Fearing a mass influx of destitute Albanians and other immigrants, Greece has begun a large-scale effort to use the military and the police to plug the country's porous northern frontiers.

Greek media reported Tuesday that the security curtain could stretch the entire 1,200-kilometer (720-mile) length of the border from Turkey to Albania.

George Florendis, a senior Public Order Ministry official, declined to give details, but noted that the military, coast guard and the police were involved in the operation.

"Albania's collapsed pyramid schemes and continuing unrest may lead Albanians to bail out of their country and into Greece," said Mr. Florendis. "We are concerned about this development and have to prevent it." *(AP)*

### *EU Bans German Pig Exports*

BRUSSELS — The European Commission approved a ban Tuesday on the export of pigs from six German states to counter an outbreak of swine fever.

The ban took effect immediately to prohibit for at least 60 days the export of live pigs from Mecklenburg-Western Pomerania, Lower Saxony, North Rhine-Westphalia, Bavaria, Bremen and two districts of Brandenburg.

The export ban may be lifted after 60 days, if no new outbreaks of the disease occur, officials said.

On Wednesday, the executive body of the European Union will consider action to curb an outbreak of swine fever in the Netherlands.

Swine fever is a highly contagious, usually fatal disease affecting pigs. *(AP)*


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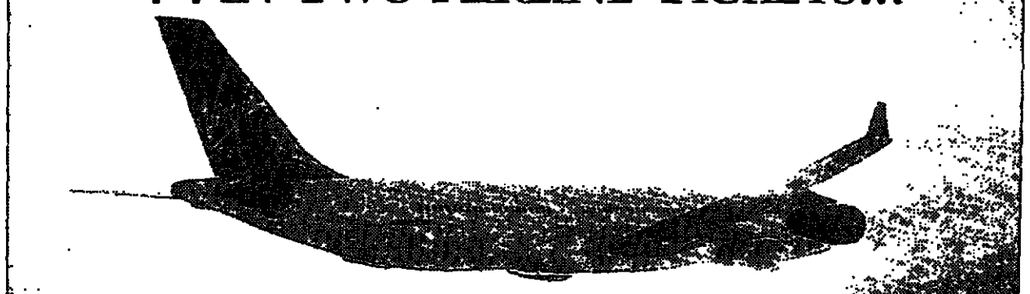

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# INTERNATIONAL

## BRIEFLY

### Algerians Discuss Coming Vote

PARIS — President Liamine Zeroual of Algeria met 10 political party leaders Tuesday to discuss preparations for parliamentary elections, but the main secular opposition group stayed away, saying that Algeria needs peace first.

Officials and party members said by telephone from Algiers that topics on the agenda included independent supervision of the elections, which are planned for the first half of this year, and the worsening security situation.

More than 60,000 people have died since Muslim guerrillas started attacks in 1992 after elections in which Islamic Salvation Front was leading were canceled. During the recent holy month of Ramadan, the guerrillas stepped up attacks.

The main opposition party, the Front for Socialist Forces, said that Mr. Zeroual's meeting aimed only "to endorse decisions already taken by the authorities," and declined to attend. The Front has urged the authorities since 1992 to open negotiations with the main opposition parties, including the outlawed Islamic Salvation Front. *(Reuters)*

### Israel Frees 8 Palestinian Women

TEL MOND, Israel — Israel on Tuesday began releasing 31 Palestinian women held prisoner, keeping a pledge made in peace talks with the Palestinians.

Eight women had been freed by 7 P.M., Israel Radio said. Their release came after more than a year of delays and wrangling that embittered Palestinians who see Israel's readiness to free prisoners as a test of the peace.

A day after the Supreme Court threw out a petition by a group representing families of Israeli terror victims, the group filed a new petition Tuesday afternoon, claiming that not all 31 women had been on the list approved by the government. The court was to meet later to hear the petition, a spokesman said. The half-dozen prisoners in question would not be released until the court ruled, he added. *(AP)*

### Colombia Workers Strike for Pay

BOGOTA — Colombian public sector workers began a nationwide strike Tuesday, disrupting air traffic, transportation, telecommunications and other services.

About 800,000 workers were expected to join the action, union leaders said. The strikers are seeking a 21.5 percent wage hike. The government, struggling to cut its deficit, has vowed to hold them to a weighted 13.5 percent increase.

The government warned that leftist guerrilla groups were planning attacks to coincide with the strike. But apart from the predawn torching of a bus outside the central city of Ibague, there were no reports of violence. *(Reuters)*

### Cuba Replaces Culture Minister

MEXICO CITY — Cuba's veteran culture minister, Armando Hart, a comrade-in-arms of President Fidel Castro, has been replaced, Cuban state news media said Tuesday.

Mr. Hart's successor is Abel Prieto, leader of the state-sponsored Union of Writers and Artists. Both men have argued for some freedom of expression, but within the limits of support for Cuba's Communist system.

Mr. Hart, 67, had been culture minister since 1976, and before that was education minister. He had joined Mr. Castro's July 26 Movement in 1955, only two years after the future Cuban leader led a failed raid on the military's Moncada Barracks in Santiago, Cuba. *(AP)*

David Silverman/Reuters

**BEDOUINS EVICTED — Israeli police dragging a Palestinian from a Bedouin encampment Tuesday to make room for the expansion of a Jewish settlement in the West Bank. Two Palestinians were injured.**

## SHARES: *'New Era' Optimists and Traditionalist Skeptics Square Off on Wall Street*

Continued from Page 1

ber when he predicted that 1997 would be the worst year for investors since 1990, when the Dow fell 4 percent. Mr. Wien expects the Dow to fall about 1,000 points this year.

"I am going to tell you what your problem is," a woman in the audience told Mr. Wien, who has worked more than three decades as an investment strategist. "The problem with you is that you went through 1973 and 1974 and those scars are still healing." The Dow dropped 45 percent in those two years.

Mr. Wien makes no apologies for his attention to history, and in it he finds support for his methods. In 1987, he noted, many analysts argued that liquidity was changing its dynamics. But his valuation measures signaled that the market was significantly overvalued. The Dow Jones industrial average later took a breathtaking, one-day dive of 508 points, or 22.6 percent.

New Era analysts argue that measures that worked well in the past must be updated now that the investment climate has changed.

Among that group is Abby Joseph Cohen, co-chairwoman of the investment policy committee at Goldman Sachs & Co., who has become a major voice of bullishness on Wall Street in the last several years.

"I have been a New Era person since 1991," she says, explaining that changes in the behavior of the baby boom generation were a catalyst for her fresh market perspective.

"It was easy for me to see that many of the people in this age group were beginning to increase their investment levels," she said.

While Ms. Cohen forecasts that the Dow will hit 7,050 this year, she warns that stocks are fairly valued and that the market could stay roughly where it is until the earnings outlook is clearer later this year.

Another New Era devotee, Richard Bernstein of Merrill Lynch & Co., notes that the market has soared 68 percent in the past two years even though conventional measures of fair value have been flashing warning signals for some time. "If everybody knows well that the market is overvalued and it is not going down, then — and these are dangerous words — something may be different," said Mr. Bernstein, 38, who is Merrill's director of quantitative research.

The issue of whether stocks have reached unsustainable heights has become more pressing as investors appear to be holding firm in their belief that stocks will continue lurching upward, with only brief dips and pauses.

A poll of 1,014 mutual fund investors taken at the end of last year by Louis Harris and Associates found that 86 percent thought that the annual returns from the stock market in the next 10 years will be 14 percent or better, at least equal to those during the last decade.

Andrew Engel, senior research analyst at Leuthold Group, a research and money management firm in Minneapolis that argues that the stock market is significantly overvalued, said the market ultimately would conform to the discipline of traditional measures. "The question is when," he said.

When assessing the overall market, analysts frequently look at the price-to-earnings ratio of a particular index, which is determined by dividing the level of the index by the earnings per share of the companies that make up the index. According to the Standard & Poor's research firm, the average annual price-to-earnings ratio since 1926 for its widely recognized index of 500 stocks is 14.4. Its low was 6.64 in 1948, and its high was 26.1 in 1991. Based on nearly complete earnings reports, the figure for 1996 is 18.9.

But there are wide variations in how the ratio can be calculated — whether, for example, to use reported earnings or operating earnings adjusted for unusual corporate write-offs. Some show the market wildly overvalued, but others show it is only marginally so.

## MIGRATE: *Find Shakes Up Archaeology*

Continued from Page 1

for evidence of earlier human habitation have arisen. Until now, none had proved convincing to a majority of scientists.

A major advantage of the Monte Verde site, Mr. Dillehay said, was that shortly after habitation the area was covered with a peat bog, ensuring preservation of a wide variety of evidence. Alex Barker, chief curator of the Dallas museum, said, "There are stakes that are still lashed in place with string that is knotted."

At a minimum, the new find will oblige scholars to reconsider the standard explanation of what Mr. Dillehay called "the first chapter of human history in the Americas."

The accepted theory is that restless prehistoric peoples from northeastern Asia managed to migrate into Alaska when global cooling trapped ocean water in glaciers, thus lowering the sea level and exposing enough of the Bering Strait sea floor to provide a land bridge. This hypothesis also requires that there have been an ice-free corridor — formed between two retreating ice masses — that would have allowed the first New World humans to survive a trek southward through the Yukon. Both essential conditions for this climatic "window" existed about 14,000 to 12,000 years ago.

So when scientists first dated the Clovis artifacts (typically stone "points" used to kill mammoths or other animals) to about 11,200 years ago, the chronology seemed ideal. Presumably, the first settlers crossed the land bridge on schedule and their descendants then took about a thousand years to get as far south as New Mexico.

The new findings make this notion far less tenable. If the Monte Verde site is 12,500 years old, then the ancestors of those Chilean settlers somehow managed to travel some 10,000 miles from the Bering Strait to southern South America in only a few hundred years.

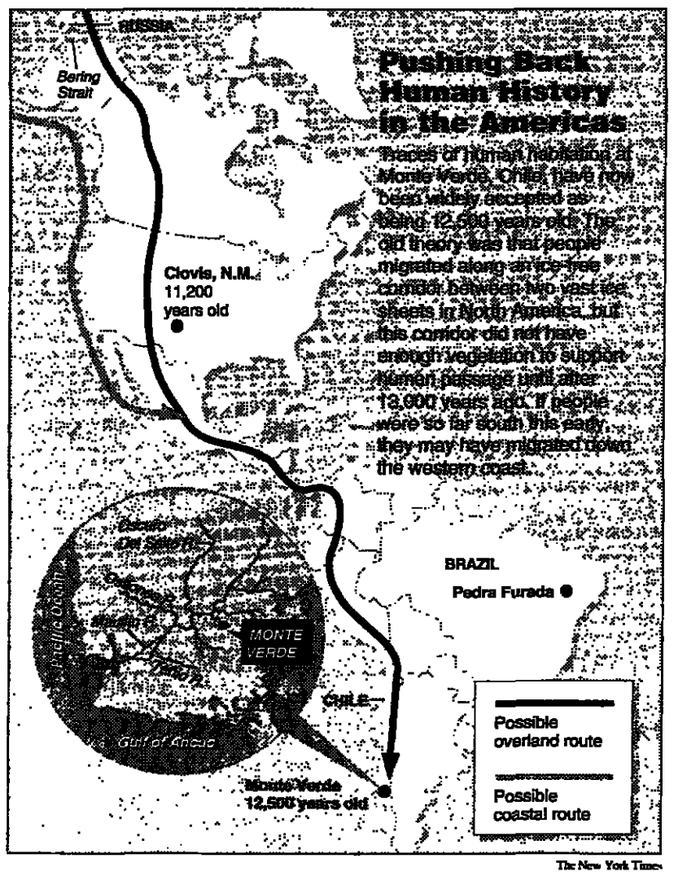
In short, said Mr. Stanford of the Smithsonian, "they either had to go like hell to get to South America, or they simply came in earlier."

Climate data and other evidence show that the next earlier window of migratory opportunity existed about 22,000 years ago.

Alternatively, many experts speculate, the early Asian immigrants may not have traveled by land at all. Instead, they may have gone by boat, hugging the shoreline all the way from Alaska to Chile. But the real date of the first arrival of Homo sapiens in the Americas may be far earlier than any consensus theory now permits.

The Monte Verde team has found a second, deeper layer of putative human artifacts that can be reliably dated at 33,000 years old. The evidence so far is tentative, though Mr. Stanford said that "most of the nine-member team, thought it looked pretty good."

Mr. Dillehay's group is continuing its excavation. Meanwhile, the Monte Verde results will likely revive flagging interest in many other putative pre-Clovis sites, including the Meadowcroft Rockshelter in Pennsylvania, which has yielded stone tools and basketry that are estimated to be more than 19,000 years old.




The New York Times

## Serbs in Croatian Enclave Raise Storm Warnings

By Jonathan C. Randal
*Washington Post Service*

VUKOVAR, Croatia — The final countdown for the last sizable outpost held by Serbian nationalists in Croatia has begun against a background of Balkan storm warnings: protest demonstrations, blown-up railroad tracks, attacks on government offices and radical rhetoric.

The endgame is being played out over an area known as Eastern Slavonia. It is prewar Yugoslavia's richest region, a 1,600-square-mile (4,100-square-kilometer) tract facing Serbia across the Danube and containing Croatia's best farm land, biggest oil fields and a heavy dose of political symbolism.

The region's Serbian minority joined with ethnic Serbs in other Croatian border areas to declare independence from the government in Zagreb in the spring of 1991 and fought a six-month war with backing from Belgrade to establish control of these territories — nearly a third of prewar Croatia.

After four years of an uneasy cease-fire with United Nations troops patrolling the Serbian-held areas, Croatia's army, in two swift offensives in May and August 1995, took back all but Eastern Slavonia. There, Zagreb and local Serbs, under U.S. and other Western pressure, agreed to the area's peaceful reintegration into Croatia on a schedule of gradual steps ending July 15.

So with 5,000 heavily armed UN troops due to pull out by then, when Croatia reasserts total sovereignty, the more than 130,000 Serbs now living in the region are being called on to accept Croatian rule.

President Franjo Tudjman has guaranteed that their rights will be respected.

But these guarantees have met with widespread skepticism among the Serbs, raising fears that many will leave in one of the population shifts that have become a hallmark of the recent Yugoslav wars.

In the first five days of February alone, 152 families left — nearly 10 times the weekly average since June.

Eastern Slavonia's problems pit the Serbs' fears and lack of experience in give-and-take diplomacy against what the Serbs charge is lack of good-faith preparations by the local Croatian administration, according to observers.

### ■ 3 Shot Dead in Region

Three persons were shot and killed, apparently in a robbery, in the town of Beli Manastir in Eastern Slavonia, the United Nations said Tuesday, according to Agence France-Presse.

## SIMPSON: *Jury's Verdict Is $25 Million*

Continued from Page 1

future, I'll have something to say."]

The jury ordered Mr. Simpson to pay $12.5 million to his two young children by Nicole Simpson, who were recently returned to his custody. Ronald Goldman's divorced parents are to split another $12.5 million punitive damage award.

In addition, jurors last week awarded Ronald Goldman's parents $8.5 million in damages to compensate them for the loss of their son.

The total damages of $33.5 million represent a daunting sum even for Mr. Simpson, who in "glory days" as a football commentator, actor and pitchman never earned more than $2.5 million a year, according to his business attorney. The defense said he was broke even before the first judgment came down last week.

Mr. Strati, who served as foreman during the punitive phase, said the panel calculated the punitive award based on an expert's testimony that Mr. Simpson could earn about $25 million over the rest of his life by trading in on his notoriety with book deals, movie contracts, speaking tours and memorabilia sales.

The huge judgments left no doubt that most jurors were outraged at the slayings — and determined to hold Mr. Simpson responsible despite his forceful testimony proclaiming his innocence.

"He was a hero to us, and he betrayed us all," said another juror, Orville Bigelow, 30, a flight attendant for Southwest Airlines. "He's a charming man, a nice man, but charming men kill."

While the jury was unanimous last week in finding Mr. Simpson responsible for the slayings, they could not reach consensus in five hours of deliberations about punitive damages. One juror voted against punitive damages altogether. Another dissented from the final figure, holding out for a lower award because she did not think Mr. Simpson could earn enough money to pay the entire $25 million.

The verdicts are not the last word in the Simpson saga. Nonetheless, Monday's verdicts against Mr. Simpson rang with a sense of finality.

In interviews Monday, several jurors talked of reviewing all the evidence piece by piece, knowing they would have to justify their decision to the national media. They weighed the defense's conspiracy claims carefully, they said — and rejected them resoundingly.

"There's just no way anyone could have planted all that evidence," Mr. Bigelow said.

Mr. Simpson's contradictory statements, painstakingly laid out by the plaintiffs' team, appeared to have sealed the verdicts against him.

The jurors who participated in a news conference after the verdict voiced doubts about his testimony: How he could remember every detail of his alibi, but not how he cut his left hand the night of the murders? How he could deny ever hitting Nicole, when they could see her battered face in photos? How he could insist he never, ever wore Bruno Magli shoes even when confronted with 31 photos of him in the exact model that tracked bloody prints at the crime scene?

"Finding O. J. Simpson liable of the murders and finding that he acted with oppression and malice was one of the easiest decisions I have ever had to make," a woman juror said.

To prevail, the plaintiffs had to prove their case by showing it was probable that Mr. Simpson killed his former wife and Mr. Goldman on June 12, 1994. But some jurors said they far exceeded that standard, even satisfying the criminal trial burden of proof beyond a reasonable doubt.

"It's 100 percent for me," another woman juror said. "I really believe Mr. Simpson is guilty."

## EGYPT: *Sex, Drugs and Heavy Metal*

Continued from Page 1

paragingly to the "deviant youths."

But the crackdown has been criticized by some intellectuals and human-rights advocates as reflecting an unfortunate Egyptian predisposition to use security forces to address social problems.

Like most things Western, heavy-metal music came late to Cairo and it enjoys only a limited following. But over the last year its screeching guitars and often violent lyrics had emerged, for some, as a vehicle for the kind of unrestrained expression on which Islamic culture frowns heavily.

Those who have attended them say recent heavy-metal gatherings have at the least been notable for the consumption of alcohol and for public displays of affection, both generally taboo.

In mimicry of Western bands and their followers, some fans have also gone so far as to adorn their clothing with symbols meant to have Satanic significance.

Whether what occurred beyond the public gaze went further to include the kind of blood-and-sex rituals that the popular Egyptian magazine Rosa al Yousef has described may never be known. But the reports that began late last year set off such an outcry that Interior Minister Hassan Alfi, architect of Egypt's six-year crackdown on Islamic militants, swiftly pledged in reference to the heavy-metal fans "to identify these groups and uproot them all."

Among those who complained most loudly about the reported evil deeds was the grand mufti of Egypt, Nasr Farid Wassail, who as the highest authority in Sunni Islam wields considerable power even in what remains a secular state. The mufti has portrayed the offenders as apostates before God.

The "contempt of heavenly religions" statute under which the authorities say that those arrested may be charged was incorporated into Egyptian law to try to limit sectarian strife between Muslims and the country's Coptic Christian minority, legal experts say.

The law, which carries a maximum sentence of five years in prison, was invoked in the early 1980s as the grounds for the arrest of militant Muslim preachers who preached against Copts.

Among the offenses punishable under the statute are the unearthing of corpses, the desecration of holy books and the ridiculing of religious rituals or figures, including the Christian, Islamic and Jewish prophets. In practice, the legal experts say, the law has been more often waved as a club than wielded as a legal weapon, and some think that the authorities' main purpose now is to deliver a powerful scare.

Among youthful sectors of Egyptian society most tempted by the extremes of Western tastes, the episode already appears to have prompted some behavior modification.

"Almost everyone I know has cut his hair short" to avoid being mistaken for a heavy-metal fan, said Akram Mustafa, a student at the American University in Cairo. "And girls won't wear their black lipstick or even their black leather jackets."

## GERMANS: *East German Youths Cope With Divided Upbringing*

Continued from Page 1

They are discovering a whole new set of historical truths. In the 10th grade, all German students receive intensive instruction in the ill-fated Weimar Republic and the rise of Nazism. While Germany's 16 federal states exercise independent authority over the curriculum, they are required by law to provide a full accounting of the Nazi era and the Holocaust.

For East Germans, the new version of 20th-century history represents a jarring break with their previous studies. They are discovering for the first time that Jews, not Communists, were the principal victims at the Buchenwald concentration camp, which they used to visit on field trips as Young Pioneers in the Communist days.

"History was always shaped by the triumph of communism," recalled Heinrich Bortfeldt, a history professor who has taught in both political systems. "Everything was dictated by Moscow, and that meant only the Leninist viewpoint. The kids heard about Nazis only in the context of the worst excesses of imperialism and capitalism."

Now, for the first time, German students in both the East and the West are reading from the same script — printed in the West. They are taught that the Nazis rose to power in the wake of economic collapse and the humiliation of losing World War I; they learn about Adolf Hitler's race laws and the genocide of 6 million Jews; and East Germans discover that the Federal Republic of Germany was not the war-mongering successor to the Nazi regime that they had heard it was.

"In those days, we were forced to believe everything we were told; you could never express any doubts," Arvid Krueger said. "It was real indoctrination. It created a lot of anger and suspicion in us when we learned that history was really something different. Our parents seem astonished that we tend to question authority. But it's only normal, because we resent the lies we heard about the past."

Travel has already broadened their education and countered stereotypes that were pounded into them during early years at Communist schools. Mr. Tressel, who studied last year in Minnesota, now realizes the United States no longer represents "the last and most decadent stage of capitalism," as he was taught in grade school.

"I now see how facts were arrayed in such a way to present a false picture of American society," he said. "We were always told about drugs, crime and racism. Sure, these problems exist, but I learned during my year of study there that they are not the whole American story. Capitalism was supposed to be awful, but now I think I would like being a stockbroker."

Nonetheless, a sense of bitterness about the imposition of a Western materialistic culture lingers among many East Germans, including teenagers. Those who have not made the adjustment and dropped out of school have become only more alienated from a unified German society. A majority of cases involving skinhead violence and xenophobia, such as arson attempts on residences of Third World asylum seekers, have been perpetrated by disaffected youths from Eastern Germany.

"Before, we used to talk about books and theater, but now the only subjects anybody cares about are jobs and money," Mr. Krueger said. "There's a lot more death and crime than we used to experience. I have the impression that an entire country has lost the ability to laugh and enjoy themselves."

### Bruges Forgives Top Bird-Feeder

*Agence France-Presse*

BRUGES, Belgium — City officials decided not to press charges Tuesday against Prime Minister Jean-Luc Dehaene for giving bread to sparrows in violation of local laws.

Mr. Dehaene was recently filmed by a Belgian television crew feeding a few birds in this city near the North Sea, which is also his birthplace.

One member of the council, from the Flemish Liberal Party, immediately demanded that the full weight of the law be brought to bear on the prime minister.

But the city decided not to push the case, arguing that Mr. Dehaene was probably not aware of the ordinance against feeding the birds, which only took effect Dec. 17.

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## EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

# Ecuadoran Chaos

Ecuador's political crisis, which at one point last week saw three people claiming to be president, was simplified and steered away from imminent violence by a military-engineered compromise on Sunday. One president was removed, another installed temporarily and the third left waiting to take over after a congressional vote. But along the way, democratic legitimacy was undermined, the military drawn deeper into civilian politics and the prospect of resolving Ecuador's serious economic problems indefinitely deferred.

The ousted leader was Abdala Bucaram, the resounding winner of last year's presidential election. Mr. Bucaram's belated embrace of economic austerity contributed to his downfall. The radical economic changes he announced two months ago, including drastically reduced subsidies for basic consumer items, expanded privatization and strict monetary discipline, reversed his populist campaign promises to boost the living standards of the poor. His poll ratings plummeted and groups of workers, students and political opponents took to the streets.

But Mr. Bucaram should not be seen as a martyr to economic virtue. His administration was notorious for corruption and eccentric public behavior. Mr. Bucaram's flamboyant singing career under the name "the madman" made it superficially plausible for the Congress to vote him out of office for "mental incompetence." Yet the Congress clearly exceeded its powers, failing to establish any medical grounds for its actions or to muster the two-thirds' majority constitutionally required for impeachment.

Those failings now have little practical significance, since Mr. Bucaram has effectively resigned after losing the support of Ecuador's military leaders. The armed forces also made Congress back off and accept a temporary succession by the elected vice president, Rosalia Arteaga, before a new vote to install the congressional favorite, Fabian Alarcon.

It would have been better to have the Congress first amend the constitution, clarifying its authority to name an interim president. But that would have taken considerable time and haggling, and Ecuador's politicians preferred a quick resolution of the crisis.

Both Mrs. Arteaga and Mr. Alarcon call for easing economic austerity, an understandable view under the circumstances, but one that would provide no long-term answer for a country whose budget-wrecking subsidies and restrictive regulations are undermining its competitiveness in a region committed to market reforms.

What Ecuador needs most is more honest debate on its economic problems, in time for the special presidential elections that have been called for early next year.

—THE NEW YORK TIMES.

# The Price of Security

The news last Friday that unemployment in Germany had reached 12.2 percent, a level not seen since 1933, was both more and less ominous than it seemed. Democracy is well planted in Germany, and another Hitler is not about to come to power. In that sense, comparisons to Weimar Germany are more misleading than helpful. But high and apparently intractable levels of joblessness, not only in Germany but throughout much of Western Europe and Canada, are very real. So is the long-running economic slowdown in Japan.

There, unemployment remains relatively low (although high by Japanese standards), but the economy is not growing, the stock market has plunged and the financial system is fragile.

All this stands in marked contrast to the United States, currently the envy of the rest of the industrialized world. The U.S. economy grew last year by 2.5 percent. Unemployment is at 5.4 percent and inflation also is under control.

Why the difference? As always with such things, economists offer various answers, no one of which will suffice; every country's situation is particular. But most agree that Western Europe and Canada are paying a high price for the governmental measures they have taken to promote job security and comfortable safety nets.

Unemployment and welfare benefits tend to be higher than in the United States, vacations longer, layoffs rarer. Partly as a result, taxes are higher and regulations far more constricting, and employers are accordingly less eager to take on new hires. In Japan, a social rather than legal compact similarly emphasizes security for those already employed, again inhibiting entrepreneurship, venture capital and job creation.

Certainly there are costs associated with the American style of capitalism, too: Downsizing, job insecurity and a growing inequality in wages properly command much attention these days. Too many Americans fall through the safety net altogether. The point of looking abroad is not to gloat, although U.S. industrialists and workers can take pride in how far they have come since the 1980s, when American business was widely written off. The point, rather, is to remember that the ferment of American capitalism brings benefits as well as costs. So far no one has found a way to increase job security or guarantee every citizen's welfare without paying a price. Germany is paying a high price today.

—THE WASHINGTON POST.

# Justice in Crown Heights

Monday's federal jury verdict finding Lemrick Nelson Jr. and another defendant, Charles Price, guilty for their roles in the 1991 slaying of Yankel Rosenbaum, during a night of mob violence in Brooklyn's Crown Heights neighborhood, provides a reasoned legal ending to a long ordeal for the city and those involved in the case.

It also vindicates Attorney General Janet Reno's decision to use the nation's civil rights laws to bring a sense of justice that was missing when the outcome of the state court trial seemed not to match the evidence.

Mr. Rosenbaum, a young Hasidic scholar, was caught up in the riots that followed an automobile accident in which a 7-year-old black child, Gavin Cato, was hit by a car in the entourage of the Lubavitcher rabbi. Shortly after the accident, angry blacks, shouting "Kill the Jew," chased Mr. Rosenbaum. He was fatally stabbed. Mr. Nelson, according to police accounts, was arrested with a bloody knife in his pocket and confessed to the killings, but later repudiated the confession.

The monthlong civil rights trial began four years and two months after a state criminal jury in Brooklyn acquitted Mr. Nelson of stabbing Mr. Rosenbaum. All along, the evidence against Mr. Nelson, which grew more convincing in the second trial, has seemed strong. But the state jury found reasonable doubt in certain discrepancies in the police accounts that were presented, and a state report later skewered the police and Brooklyn District Attorney Charles Hynes for badly botching the investigation and prosecution.

Trying Mr. Nelson on federal civil rights charges after his state acquittal for murder did not amount to double jeopardy, which the constitution forbids, because the second prosecution was by a different authority, the United States, and for violating different laws.

Prosecutors in the federal case also had to meet a higher standard of proof. They not only had to show Mr. Nelson stabbed Mr. Rosenbaum, and Mr. Price incited the attack, they had to prove motive, showing that the two defendants acted because Mr. Rosenbaum was Jewish and walking a public street. In these respects, the prosecutions were similar to those brought in the South when state court juries failed to return verdicts against white defendants accused of crimes against civil rights activists.

Clearly, it would have been better had the police and prosecutor got things right the first time around. The fact that it took six years and two trials to win a conviction in a public attack will inevitably complicate the process of civic healing, both for those who thought the first verdict was wrong and those who thought a second trial unfair.

But as New York City Mayor Rudolph Giuliani pointed out in a firm, balanced statement, the best course for the community is a verdict that matches the known facts of the case. In another statement, former Mayor David Dinkins appealed to the Crown Heights community and all New Yorkers to commemorate the two who died, Mr. Rosenbaum and Gavin Cato, "as a starting point and not as a flash point." Both mayors struck the right notes.

—THE NEW YORK TIMES.

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# On the Drawing Board, a Blueprint of Palestine

By A. S. Khalidi

LONDON — In the weeks since the signing of the Hebron agreement, the final destination of a Palestinian-Israeli peace settlement has begun to emerge from the political haze.

Such a settlement must not only end the Israeli occupation and colonization of Palestinian soil, it must give the Palestinian people a sovereign, uncontested, independent state of their own.

This is a matter of justice and practicality. If a truly lasting and stable peace is the goal, there is no other option.

The notion of a Palestinian state has gradually broken the bounds of the unthinkable and has seeped into the very center of the debate over the future of the peace process. In the United States, even such ardent supporters of Israel as Henry Kissinger and William Safire have grudgingly acknowledged that a Palestinian state is inevitable.

Even on the Israeli right, political discourse has begun to shift significantly. David Bar-Ilan, Prime Minister Benjamin Netanyahu's senior adviser, has spoken of a state of "limited sovereignty" for the Palestinians.

Avraham Stern, a right-wing member of the Knesset, has declared that opposition to a state "is not something holy." For its part, Israel's Labor Party has dropped its long-standing opposition to a Palestinian state.

Although these changes have yet to be acknowledged by Mr. Netanyahu, the truth is that Palestinians already have most of the prerequisites of sovereignty: control over land, a legitimate political process and quasi-governmental institutions. Yet these precursors of statehood remain fragile, incomplete and still subject to Israeli dictates.

Israel, for example, continues to seal off Palestinian areas, keeping thousands from jobs, schools and even hospitals. And Mr. Netanyahu continues to insist on maintaining and expanding Israeli settlements, recently restoring financial incentives to settlers.

In the coming weeks, Israeli and Palestinian negotiators are scheduled to begin taking up the toughest issues, those left for the final stage of the peace agreement: refugees, borders, settlements, security and the future of Jerusalem. Though the Israeli government is not likely to publicly acknowledge it, these talks will really be about the future shape of a Palestinian state.

For a settlement to be truly final, it must minimize the chances of future rejection or violent disaffection. The vast majority of Palestinians would support a settlement that resulted in a Palestinian state in Gaza and the West Bank, with its capital in East Jerusalem.

Such a settlement would have the legitimacy necessary for a stable peace, which would be in the interests of Palestinians and Israelis.

But the mere trappings of statehood will not suffice. The state has to be real and workable. The following are its essential conditions:

• *Territorial integrity and contiguity.* The Palestinians' ability to accept further territorial compromise is severely constrained by historical, political and geographic realities, including the lack of a direct link between Gaza and the West Bank. Any further dissection of Palestinian territory would make it politically and economically impossible to maintain a state.

Because Israeli settlements would be a constant challenge to the new state's security and integrity, there can be no civilian pockets under Israeli rule on Palestinian land. But there is no reason why individual Israelis could not live in Palestine and individual Palestinians could not live in Israel.

• *A sovereign capital in Jerusalem.* East Jerusalem is Palestine's historical, spiritual and commercial heart. To exclude it from a Palestinian state is unthinkable. Moreover, the boundaries of what Israelis call their "eternal united capital" are neither sacred nor irrevocable. Israel imposed arbitrary new borders on the city in 1967 by annexing to it areas of the West Bank.

With the exception of the Jewish holy places in the Old City, few Israelis can claim much attachment to Jerusalem's existing boundaries.

A recently published survey by researchers from the University of Maryland and Israel's Guttman Institute of Applied Social Research found that 70 percent of Israelis who had been to Jerusalem had never ventured into the Arab areas beyond the Old City, and that about 60 percent would accept a redefinition of the city limits to "exclude Arab neighborhoods" and ensure an overwhelming Jewish majority in their part of Jerusalem. A poll published late last year by Ma'ariv, an Israeli newspaper, even found a slight majority of Israelis in favor of moving the capital to Tel Aviv.

***The mere trappings of statehood will not suffice. The state has to be real and workable.***

The view perpetuated by politicians that Israelis would accept nothing less than exclusive control over the whole city need not be blithely accepted. There is no good reason why Jerusalem cannot have two separate, coexisting sovereignties within nominal, open borders that demarcate the Arab and Jewish areas. Freedom of movement and access to holy places could be guaranteed without redivision of the city.

• *Security.* While appreciating Israeli security concerns, Palestinians have deeply rooted concerns of their own. Given the loss of their homeland in 1948 and occupation since 1967, Palestinians cannot be expected to cede their right to self-defense unilaterally.

Instead of being totally demilitarized, a Palestinian state should be capable of limited self-defense but not have the ability to threaten its neighbors.

In practical terms, this would mean no defense pacts with countries hostile to Israel, limits on the size and nature of Palestinian defense forces and no offensive weaponry. International guarantees for both sides and a bilateral nonaggression pact should reinforce mutual security, as could an international peacekeeping or monitoring presence. Israel's requirements for early-warning and ground-to-air defenses and joint security arrangements covering the Jordan Valley could be negotiated.

• *Justice and fairness for refugees.* No final resolution can be complete without addressing the needs and aspirations of Palestinian refugees. As a matter of principle, the Palestinians' right to return or to be compensated for their lost homes and land is nonnegotiable. How this right is exercised is a matter for negotiation.

Israel must acknowledge the suffering and hardship Palestinian refugees have faced as a result of their eviction from their homeland, and must assist in their rehabilitation and reabsorption.

For their part, the Palestinians have to acknowledge that a return to the status quo before the creation of Israel in 1948 is impossible and that a resolution of the refugee issue will effectively close the file on this fundamental issue.

This is not a full blueprint for Palestine. The hard details must be left to the negotiators. But these conditions for Palestinian statehood must be met if hopes for a lasting peace settlement are not to be an illusion.

*The writer, editor of the Arabic edition of The Journal of Palestine Studies, advised the Palestinian delegation during Middle East peace talks from 1991 to 1993. He contributed this comment to The New York Times.*

# To Avoid a Nuclear Test by Delhi, Treat India as a World Power

By Friedbert Pfluger

BONN — After visiting India recently, I am convinced New Delhi will not sign the Comprehensive Test Ban Treaty on nuclear weapons.

There is a wide political consensus behind its rejection. The main opposition, the Hindu nationalist Bharatiya Janata Party, says India should declare itself a nuclear power. Government policy seems to be one of "nuclear uncertainty," of keeping options open. It denies any plans for another nuclear test (the first took place in 1974), but some military people in India believe preparations are under way for at least one test this year.

The general strategic assessment in India seems to be that:

• In a multipolar world threatened with nuclear proliferation, India's safety lies in deterrence, not arms control agreements.

• India wants to be a world power and cannot accept being second best to its arch-rival, China, which has nuclear weapons. With a population of one billion and a culture dating back thousands of years, India cannot accept less for itself.

• China and Pakistan are expanding their nuclear cooperation, allegedly confined to peaceful uses of atomic energy, to include the transfer of missile technology to Islamabad.

• The five nuclear powers have not gone far enough in meeting their commitments to disarmament. The members of the "nuclear club" have not abolished their nuclear weapons (as promised under the terms of the Nuclear Nonproliferation Treaty) and can go on developing their arsenals in the laboratory under the Comprehensive Test Ban Treaty. There is no discernible sign of willingness to create a nuclear-free world.

Given these circumstances, India believes it cannot accept what amounts to nuclear discrimination. It is pointless for the West to wring its hands in moral indignation. After all, the West based its security on deterrence for decades. So what can we in the West do to persuade New Delhi to drop its objections to the Comprehensive Test Ban Treaty and so salvage this measure of nuclear disarmament?

The first step is for us to start taking India seriously as a world power. At the same time, Indians must be made to realize that a nuclear test would isolate their country. Indians occasionally point to China's test last year and try to equate it with an Indian test. This does not work: China already belonged to the nuclear club, while an Indian test would violate an overall nonproliferation policy. India's reputation would suffer worldwide, and the country would suffer economic and political fallout for years.

The job confronting international politics in the next few months is to convince India to avoid a nuclear test. We should start giving serious consideration to a convention on scrapping nuclear weapons over the next three decades, with the possible exception of a minimal residual stock to deter rogue states or terrorists. This could put an end to claims of nuclear discrimination. And, of course, everything must be done to ratify the existing disarmament treaties and to tackle START-3.

If New Delhi cannot be induced to change its mind on a treaty banning tests, we should find a way to put the test ban treaty into force in three years even without India and Pakistan — perhaps with a provision similar to the one that worked in this way with the nonproliferation treaty. Even if it left two countries semipermanently in a nuclear gray area, that solution would be better than the collapse of the test ban treaty.

Everybody could live with this second-best outcome. India and Pakistan would still have their options, but the international community would have its test ban. Used in conjunction with the nonproliferation treaty, the risk of proliferation would be reduced.

We must try to make India (and Pakistan) understand that refusal to collaborate on nuclear issues will not lead to more security but trigger a regional arms race — and that these days, countries win security and esteem by gaining political respect and stature, not by owning nuclear weapons.

*The writer, disarmament spokesman of the CDU/CSU Bundestag party, contributed this comment to the International Herald Tribune.*

# Why America Must Sign the Chemical Weapons Convention

By Brent Scowcroft and John M. Deutch

WASHINGTON — In the coming weeks, the Senate will vote on whether the United States should ratify the Chemical Weapons Convention, an international agreement that bans chemical weapons and mandates the destruction of all existing chemical weapons stocks. As the Senate considers this issue, two facts ought to frame the debate. First, the United States will eliminate its own chemical weapons capability whether or not it ratifies the convention. Second, the convention will enter into force whether or not the United States ratifies it.

These two facts make the question facing the Senate a relatively narrow and straightforward one: Are U.S. national interests better served if we ratify and become party to the treaty, or if we remain outside the international regime that outlaws chemical weapons?

We have already voted to take ourselves out of the chemical weapons business. Under a 1985 law signed by President Ronald Reagan, the United States will destroy its existing chemical weapons stockpile (much of which is nearly 50 years old, and most of which is in danger of leaking or is otherwise unusable) by 2004. In the face of repeated refusals by Congress to provide the funds, plans to modernize our chemical weapons also were abandoned in 1991. The net result is that, in a few years, we will have completed the unilateral dismantling of our chemical weapons capabilities. By outlawing chemical weapons, the Chemical Weapons Convention, or CWC, helps put other nations in the same position we already have put ourselves.

Moreover, with or without us, the CWC — which has been ratified by more than 65 countries, including virtually all of our friends and allies — will enter into force on April 29. Refusal by the Senate to ratify the treaty, or the addition of "killer amendments" to the resolution of ratification, will block U.S. participation but will not stop the CWC. However, rejecting a treaty of which we were the primary architects and instead lining up with pariah states such as Libya, Iran and North Korea would do real damage to America's international leadership, credibility and interests.

By remaining outside the CWC, we let these rogue states off the hook by making it easier for them to ignore pressures to abandon the chemical weapons option. Perhaps more to the point, it gives Russia — which has the world's largest stock of chemical weapons — an easy excuse to delay further its own accession to the CWC. In all these cases, we undermine the effectiveness of the CWC to do unto others what we already have decided to do for ourselves: get out of the chemical weapons business.

***Being lumped together with the likes of Libya, Iran and North Korea would hurt U.S. credibility and interests.***

If we remain outside the CWC, our own chemical industry will pay a price. The CWC prohibits its signatories from trading in certain categories of chemicals with companies in countries that remain nonmembers. These provisions could put the American chemical industry at a competitive disadvantage, not least by significantly complicating transactions between U.S. chemical manufacturers and their offshore facilities and subsidiaries. That is one reason why the industry supports CWC ratification.

If we fail to join the CWC by April 29, the United States will not get a seat on the "Executive Council," which decides the real-world "rules of the road" that shape how the treaty actually gets implemented, or on the CWC's "Technical Secretariat," from which the international inspectors who verify compliance will be drawn.

The Clinton administration insists that the CWC is "effectively verifiable" as that term has been officially construed, while critics insist that the treaty does not fit the plain meaning of those words. But arcane debates about various definitions of "effectively verifiable" miss the point. The limits imposed by the CWC surely are imperfect, but since we are unilaterally abandoning chemical weapons in any case, it is hard to see how its imperfect constraints are worse than no constraints at all. Even more to the point, the CWC can help us deal more effectively with the real-world verification problem we do face: By joining the CWC, we can take advantage of its inspection procedures and reporting requirements to make our own intelligence capabilities more effective, increasing the chances that we will catch the cheaters.

The right way to judge the CWC is not as some kind of "silver bullet," but rather as one part of a comprehensive approach to fighting chemical weapons proliferation. The effectiveness of that overall approach also depends on several additional actions that should be included in the Senate's review of the treaty:

• We must ensure that our military forces continue to be equipped and trained to defend themselves — both passively and actively — against possible chemical weapons attacks.

• We should reaffirm that we are prepared to draw on the full panoply of our military capabilities if U.S. territory or forces are ever attacked with chemical weapons.

• We should reject interpretations of the CWC that prohibit the use of tear gas or other nonlethal chemicals, so that we do not put ourselves in the bizarre position of having no choice but to rely on guns and bullets when we face situations like driving off noncombatants who might be threatening a downed pilot.

• We must ensure that intelligence collection and analysis of chemical weapons threats, as well as improvements to our CWC monitoring and verification capabilities, continue to receive high priority.

• We must organize our capacity to deal with possible terrorist use of chemicals both at home and abroad.

• We must ensure that the CWC is not exploited to facilitate the diffusion of CWC-specific technology, equipment and material — even to signatory states.

In sum, the CWC is no cure-all, but it clearly serves U.S. interests. Even more to the point, the CWC will enter into force in about three months, with or without us. The central question before the Senate is whether the national interest is better served by the United States' joining the CWC or remaining outside it. The answer, emphatically, is the United States is better off joining.

*Brent Scowcroft, president of the Forum for International Policy, was national security adviser to Presidents Gerald Ford and George Bush. John M. Deutch, institute professor at the Massachusetts Institute of Technology, served as director of Central Intelligence and deputy secretary of defense in the Clinton administration. They contributed this comment to The Washington Post.*

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: Greece Mobilizes

VIENNA — Telegrams from Athens, containing news of the mobilization of the Greek army in Crete, have caused great excitement and led to a rapid fall of securities on the Bourse. If Greece should carry out her intended action in Crete, no Power would prevent the Sultan from defending his dominions. A united endeavor by the Powers is to be made at Athens, and should the attempt prove useless, then the Powers are resolved to blockade and isolate Crete.

### 1922: Troops to Ulster

PARIS — Four additional battalions of British troops are to be sent to Ulster to meet the situation created by the recent Sinn Fein kidnappings in the Tyrone and Fermanagh districts. The Ulster premier, James Craig, held a cabinet meeting yesterday [Feb. 11] to discuss the plans to be carried out if the Government's action fails to secure the release of the kidnapped loyalists. Communication between Belfast and the border towns was still interrupted yesterday and no news had been received about the prisoners, whose whereabouts are unknown.

### 1947: 40-Hour Week

NEW YORK — The Congress of Industrial Organizations sent notice today [Feb. 11] to the New York Board of Estimate that the City be asked to establish a 40-hour week and that any subway fare increase from the present 5-cent fare would "necessitate immediate wage adjustments." Transit workers now work a 48-hour week. The notice was served by Harry Sacher, counsel to the Transport Workers Union, who said it was inevitable that the City of New York would establish a 40-hour week for its employees.

# OPINION/LETTERS

## Free Ads for Politicians? Stay Tuned to This Plan

By David S. Broder

WASHINGTON — When you're trying to figure out one of those interlocking wooden puzzles, sometimes it helps to turn it upside down. That is what happened to me one morning recently when I had breakfast with Reed Hundt, the chairman of the Federal Communications Commission.

The topic was campaign finance legislation — or so I thought. But when I remarked that the history of campaign finance laws and regulations was fraught with unintended consequences, Mr. Hundt immediately corrected me.

"We're not talking about campaign finance legislation," he said. "We're talking about giving candidates and voters more access, and these measures have almost always succeeded. The Voting Rights Act has been a success. The provisions that allowed presidential debates have worked."

Mr. Hundt's point was this: For decades, the campaign finance debate has focused on the source and volume of funds — the supply side of the problem. Government has attempted to regulate who could give, the size of their contributions and, to the extent the courts allowed, the amount candidates could spend.

Mr. Hundt suggested that we turn the problem around by asking where the money goes and whether that cost can be reduced, that is, examine the demand side of the equation. The answer is obvious. Most of the money goes into buying television advertising. Campaigns are expensive because television costs so much.

In 1996, Mr. Hundt encouraged the foundation-financed campaign of a former Washington Post reporter, Paul Taylor, to persuade television and cable operators to make small blocks of free time available to the presidential candidates. Mr. Taylor had some success, but he never got the broadcasters to agree on a single time when all viewers would find the candidates talking directly to them.

Now Mr. Hundt is promoting a radical expansion of Mr. Taylor's proposal. He thinks broadcasters should be required to donate almost $2 billion worth of commercial time to a "political time bank" that would be available free to candidates for federal and state office.

That sounds like a huge burden to impose, but Mr. Hundt pointed out that the estimated $1.8 billion of paid political ads in the 1995-96 election cycle was only 2.5 percent of the television ad revenue in that period.

He also noted that, under a law passed last year, the government is about to hand broadcasters a gift of incalculable value in the form of a new spectrum of digital TV channels that can be used for movie theater-quality programs or for a wide variety of other high-fidelity communications.

Last week Mr. Hundt's long-time friend Vice President Al Gore made that point a matter of administration policy — without endorsing Mr. Hundt's proposal.

"Digital technology," Mr. Gore said, "will greatly enhance the opportunities available to broadcasters to utilize multiple channels. The public interest obligations should be commensurate with these opportunities."

Mr. Hundt has found one ally high up in the broadcasting industry. Barry Diller, who has been a key player for years and now heads his own company that controls a number of TV stations and the Home Shopping Network, proposed at an industry convention in New Orleans last month that in return for the gift of the new digital TV spectrum, broadcasters "take sole responsibility for the cost of airing all political advertising messages for all government candidates" and "use this lever as the impetus to abolish all forms of the current system of political contributions."

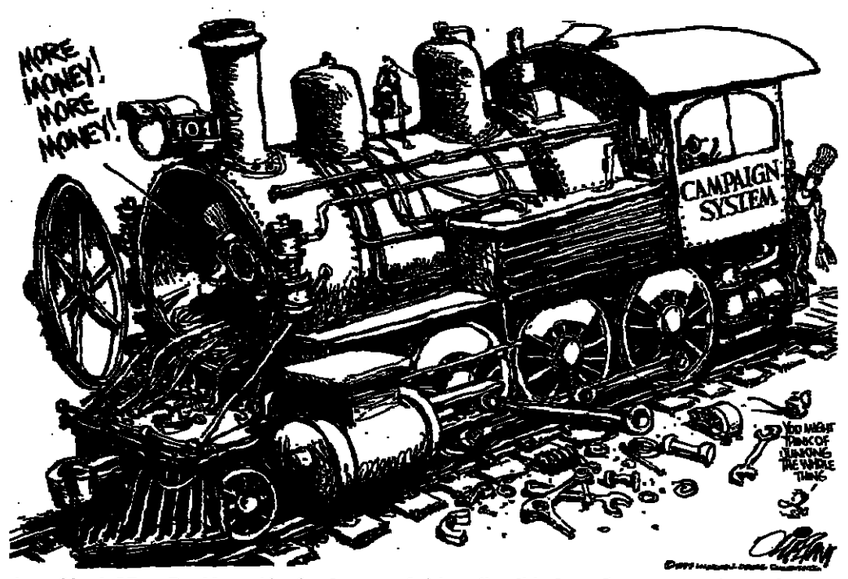
Mr. Diller conceded that his proposal would cost the industry more than $1 billion in lost revenue in the peak year of each election cycle. But he added, "It would also radically change the nature of our rotten political fund-raising system."

Advocates of some campaign finance bills are considering a way to incorporate the "free time bank" into their proposals. Mr. Taylor will hold a conference on the subject in Washington next month. But he and Mr. Hundt both concede this is not a panacea.

Important policy and administrative issues would remain: Could independent groups buy time for "education" or "independent expenditure" campaigns? Who would divvy up the time bank among the thousands of Democratic and Republican candidates in each election? If the national parties controlled the time, how would dissident or maverick Democrats and Republicans fare? And how would minor parties be protected in the allocation of time?

These are all important questions. But this proposal offers a way to reduce the costs of campaigns drastically by eliminating or greatly slashing the expense of television advertising. It deserves to be part of the coming debate.

*The Washington Post.*




## The Heartrending Debris Of Corporate Cruelty

By Wendy Reid Crisp

PORTLAND, Oregon — It was a dull day at the post office: a supermarket flier with specials on red snapper, the water bill, a letter inviting me to a wellness seminar — and a "check" for $5 million.

I passed on the snapper, paid the bill, considered the seminar. The "check" I tore up angrily.

When my aunt died four years ago at 92, my task as her executor and heir included sorting through her things, dispensing treasures to the family and photographs to the local museum she helped establish.

MEANWHILE

There was one surprise. She had been a victim of direct-marketing companies that offer the prospect of cash sweepstakes winnings.

We had seen, but chose to ignore, some signs of this affliction. Though she had excellent taste, she had begun giving as presents "diamond" necklaces, plastic binoculars, ceramic figurines and cheap telephones.

But until I discovered boxes and drawers of junk, we hadn't realized the extent of her hopes.

"No purchase necessary to win" is the law; the implication, however, is that entries returned with orders for, say, $5.79 candy dishes will put the contestant on the fast track to big money.

As the editor of a tiny weekly newspaper, my aunt had never earned more than $10,000 a year, and she had an 80-acre ranch to maintain.

The promise of financial security in old age, which she never believed she had reached, was apparently enough to get her to subscribe to more than 60 magazines — Esquire, Young Miss and Country Music, among other odd choices.

For months after her death, her mail brought daily notices that she was a finalist in some contest, that cash was guaranteed if she only returned the winning number. There were official-looking letters from "treasury departments," lawyers and investment advisers. There were "checks" for $5 million.

Several years ago, when I was editor of Savvy ("The Magazine for Executive Women"), the publisher decided to boost circulation by direct-mail marketing to people who had a history of responding to sweepstakes offerings. The mailings emphasized the contest rather than the magazine.

*Boxes of junk from the sweepstakes come-ons revealed the extent of my aunt's hopes.*

Some responses we received were written in arthritic Palmer penmanship. We read confused letters from old men in Arizona and young mothers in Appalachia, who like my aunt had indiscriminately subscribed to win the contest.

Most of them said something like, "I don't know why I'm reading this magazine." I was embarrassed.

Now, I'm angry. My aunt was a businesswoman. But seven of the last eight checks she wrote were for trinkets bought with the apparent expectation of moving her name into a "grand prize" category. If she was seduced and financially drained by these come-ons, then so are millions of other people.

Many of them live alone. Many are old and have small, fixed incomes. All dream of financial independence, of not being a burden to their families, of leaving something of value to the people they love.

I know sweepstakes are legal, but they are cruel. Surely, somewhere between capitalism and censorship there is room for a corporate conscience.

*The writer, national director of the National Association for Female Executives, contributed this comment to The New York Times.*

## LETTERS TO THE EDITOR

*Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.*

### Two Nations

*Regarding "A Peace Consensus" (Editorial, Jan. 30):*

The editorial omits a minor point: On the altar of peace between Israelis, any chance of peace between Israelis and Palestinians has been sacrificed. The Beilin-Eitan paper [drafted by legislators led by Yossi Beilin of Labor and Michal Eitan of Likud] is the very opposite of the Oslo agreement, which implied that a Palestinian state would come into being in order to bring about a historic reconciliation between the two peoples.

The document is a blueprint for the annexation by Israel of great parts of the remaining Palestinian territories, while turning the rest into a Palestinian Bantuland, consisting of an archipelago of enclaves cut off from each other by Jewish settlements and the "bypass roads" connecting them with Israel. For these settlements practically all the Palestinian land reserves and immense quantities of Palestinian water have been expropriated. Their continued existence, as well as the clause that practically allows the Israeli Army to operate freely inside the territory of the Palestinian "entity," make a mockery of any pretense of Palestinian statehood.

Let's get back to essentials. Two nations live in this country. The only solution is their coexistence in two national states — Israel and Palestine — with open borders and a common capital in Jerusalem. Everything else is nonsense.

URI AVNERY.
Tel Aviv.

### Confidence-Building

Jim Hoagland *("What to Do as India and Pakistan Go Nuclear" (Opinion, Jan. 16)* is correct that "putting Washington in the middle and opening the gates of arms supplies to both sides can only make things worse." The only solution lies in agreement by India and Pakistan to resolve all disputes by peaceful negotiations. The first step in confidence-building is for each of them to declare "no first nuclear strike" against the other. This should be followed by broader negotiations on a nuclear-free region in South Asia.

NARENDRA SINGH.
Wageningen, Netherlands.

### Sneaker Theory

Among the odd theories for all the pairs of sneakers slung over U.S. telephone lines *(American Topics, Feb. 3)* there was no mention of one I've heard: They're memorials to youths who were shot. Sadly, I find that more believable.

JIM SCIUTTO.
Hong Kong.

## BOOKS

### THE CREATION OF DR. B
### A Biography of Bruno Bettelheim

*By Richard Pollak. 478 pages. $28. Simon & Schuster.*

Reviewed by
Claire Douglas

RICHARD POLLAK'S first encounter with Bruno Bettelheim took place in 1969, when they talked about Pollak's brother — a former patient of Bettelheim who had died accidentally while playing in a hayloft with Pollak 21 years before. At the time of the interview, Bettelheim was 63 and an internationally renowned authority on autism, on the upbringing and treatment of children, on the analysis of fairy tales, on Jews and the Holocaust, and on the behavior of people in concentration camps (he had been in both Dachau and Buchenwald).

He was a multitalented and prolific popularizer of psychoanalysis known for his best-selling books and his authoritative command of his subject. In his writing, Bettelheim had the rare ability to clarify and vivify theory through poignant case histories and his accessibly gemutlich prose.

Pollak, who was 35 at the time of the meeting, simply wanted to know what had been wrong with his brother. Instead of discussing the matter as he had hoped, Bettelheim blasted Pollak's mother, brother and whole family. The eruption puzzled Pollak, as did Bettelheim's fabrication of fact and the scene's shocking incongruity with his public persona and the comforting tone of his books.

Largely a sequel to this interview, "The Creation of Dr. B" is a monument to scrupulous investigative reporting. Pollak makes good use of his skills as a former editor and writer for the Nation to marshal and organize a mass of material that sometimes looms like a threatening avalanche of facts and opinions. The book is prodigiously well researched, built on copious use of archival material as well as more than 200 interviews with relatives, colleagues, former patients and students. It is to Pollak's credit that the reader usually escapes entombment in all the detail.

He painstakingly amasses proofs to buttress all his assertions about Bettelheim's life, and includes large slabs of informed and scholarly rebuttal of Bettelheim's most cherished findings. Though not a particularly graceful writer, Pollak lightens his text with telling phrases; he quotes descriptions of Bettelheim as "the Don Rickles of psychoanalysis," "an authoritarian personality bearing an anti-authoritarian message," "a florid invention of himself," a man who employed a "Nazi-Socratic method" of supervision and teaching, whose classes became "a bit like Dungeons and Dragons." Pollak adds his own somewhat less agile put-down by calling Bettelheim psychology's "loudest advocate for the Mom-as-villain diagnosis."

Part of both the blessing and the curse of "The Creation of Dr. B" lies in Pollak's passion to prove continually to the reader that what he saw and heard the day of his initial interview with Bettelheim was real. He catalogues the minute specifics of exactly where and how Bettelheim had lied before or altered his credentials to fit the vagaries of his moods and needs, or plagiarized, or took credit for others' work, or lacked scientific objectivity and skill. Most painful to read, however, are the parallels between the way Bettelheim talked of Pollak's dead brother and Pollak's example after example of the way Bettelheim misdiagnosed, mistreated, harassed or abused children and his presumed inferiors.

Valuable though these disclosures may be — and Pollak discovers important new allegations such as Bettelheim's sexual abuse of teenage girls in his care — the book often reads more like an indictment than a biography. Pollak's heavy hand at times begins to take on the thudding resonance of his subject's, and we are left with Bettelheim found guilty on all counts. This may, indeed, be the purpose for writing the book, for by making Bettelheim so clearly at fault, Pollak can exorcise his own guilt at his brother's death and, well avenged, finally lay him to rest.

Pollak does grant Bettelheim his charisma and talent, his teaching and fund-raising skills, his indefatigable capacity for work as well as his often sympathetic treatment of his charges. But Pollak's main line of defense of his subject is unconvincing at best. It rests on Bettelheim's own retrospective explanation for his actions — that he was motivated by the pessimistic thinkers he studied in his youth, whose "as if" philosophy condoned the creation of a fictive life in order to bring some coherence and meaning into an essentially meaninglessness existence. "As if" becomes the leitmotif of the book but remains too abstract an explanation for the behavior of an exceedingly complex man, elucidating neither his genius nor his pathology.

Nina Sutton's recent biography, "Bettelheim: A Life and Legacy," covers most of the same ground as "The Creation of Dr. B" but provides the reader with a more psychologically perceptive analysis of Bettelheim's behavior and a clearer picture of him as a man of his time. The legal-minded reader will enjoy Pollak's building his case against Bettelheim and seeing the popular idol topple.

*Claire Douglas, a Jungian analyst and clinical psychologist, wrote this for The Washington Post.*

## BEST SELLERS

New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

| This Week | | Last Week | Weeks on List |
|---|---|---|---|
| **FICTION** | | | |
| 1 | HORNET'S NEST, by Patricia Cornwell | 1 | 2 |
| 2 | TOTAL CONTROL, by David Baldacci | 8 | 2 |
| 3 | AIRFRAME, by Michael Crichton | 2 | 8 |
| 4 | THE CLINIC, by Jonathan Kellerman | 4 | 4 |
| 5 | DRUMS OF AUTUMN, by Diana Gabaldon | 3 | 4 |
| 6 | SILENT WITNESS, by Richard North Patterson | 6 | 3 |
| 7 | THE NOTEBOOK, by Nicholas Sparks | 5 | 16 |
| 8 | THE DEEP END OF THE OCEAN, by Jacquelyn Mitchard | 7 | 20 |
| 9 | THE CELESTINE PROPHESY, by James Redfield | | 148 |
| 10 | ALIAS GRACE, by Margaret Atwood | 12 | 4 |
| 11 | BLOOD AND HONOR, by W. E. B. Griffin | 11 | 4 |
| 12 | DEEP WATERS, by Jayne Ann Krentz | 15 | 2 |
| 13 | THE FALLEN MAN, by Tony Hillerman | 13 | 10 |
| 14 | THE UNLIKELY SPY, by Daniel Silva | 9 | 3 |
| 15 | EXECUTIVE ORDERS, by Tom Clancy | 10 | 24 |
| **NONFICTION** | | | |
| 1 | A REPORTER'S LIFE, by Walter Cronkite | 1 | 8 |
| 2 | ANGELA'S ASHES, by Frank McCourt | 2 | 21 |
| 3 | CONVERSATIONS WITH GOD, by Neale Donald Walsch | 3 | 8 |
| 4 | THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko | 4 | 3 |
| 5 | MY SERGEI, by Ekaterina Gordeeva with E. M. Swift | 5 | 13 |
| 6 | THE GIFT OF PEACE, by Joseph Cardinal Bernardin | | 1 |
| 7 | THE SOUL'S CODE, by James Hillman | 6 | 12 |
| 8 | THE DILBERT PRINCIPLE, by Scott Adams | 7 | 41 |
| 9 | LIVING FAITH, by Jimmy Carter | 8 | 10 |
| 10 | DOGBERT'S TOP SECRET MANAGEMENT HANDBOOK, by Scott Adams | 9 | 16 |
| 11 | FOREVER, ERMA, by Erma Bombeck | 11 | 13 |
| 12 | BEHIND THE OVAL OFFICE, by Dick Morris | | 1 |
| 13 | I'M NOT REALLY HERE, by Tim Allen | 14 | 10 |
| 14 | MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt | 10 | 134 |
| 15 | DOWN IN THE GARDEN, by Anne Geddes | 12 | 12 |
| **ADVICE, HOW-TO AND MISCELLANEOUS** | | | |
| 1 | SIMPLE ABUNDANCE, by Sarah Ban Breathnach | 1 | 44 |
| 2 | MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray | 2 | 194 |
| 3 | MASTERING THE ZONE, by Barry Sears | 4 | 2 |
| 4 | THE ARTHRITIS CURE, by Jason Theodosakis, Brenda Addeoly and Barry Fox | | 1 |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| SPAIN | PTAS | 11,700 | 5,000 | 57% |
| SWEDEN | SEK | 832 | 350 | 58% |
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# STAGE/ENTERTAINMENT

TOMORROW: HEALTH SCIENCE

## In Munich, 'Julius Caesar' Meets Tyrannosaurus Rex

By Roderick Conway Morris
*International Herald Tribune*

MUNICH — A life-sized dinosaur, a severed head in a plastic shopping bag, killer sharks and a rocket that blasts off in Act 2 and plummets to Earth in Act 3 are just some of the features that characterize Richard Jones's production of "Giulio Cesare in Egitto" ("Julius Caesar in Egypt") at the Bavarian State Opera, where it was rapturously received by a packed house.

"Giulio Cesare" was one of the first of Handel's long-neglected operas to be revived — at the Gottingen Festival in the 1920s — and it has since been the most frequently staged of the composer's 39 Italian operas. The work's appeal rests on its ravishing and constantly inventive music, and the story of Julius Caesar's conquest of Egypt and his love affair with Cleopatra (who later followed him to Rome and bore him a son). The plot is relatively easy to follow for an audience that does not understand Italian.

The "language problem" — especially given the firm opposition of Peter Jonas, the Munich Opera's administrative and artistic director, to surtitles and the theater's commitment (amply rewarded by its box-office returns) to try to attract the widest possible audience — goes some way toward explaining the burlesque aspects of Jones's interpretation.

The main protagonists of "Giulio Cesare" constantly address and refer to the stars ("le stelle"), fate and destiny so Jones, and the set designer, Nigel Lowery, provide an overarching night sky, the Milky Way spotted with celestial bodies the size of soccer balls. Two moon-like planets, red and white, suspended in this heavenly vault, symbolize the work's two grand themes: Love (Venus) and War (Mars). The giant Tyrannosaurus Rex that towers over the stage when the curtain comes up is something of a riddle, until the cretaceous colossus topples over, presaging the fall of Cleopatra's cruel tyrant-king brother Tolomeo (Ptolemy), who has inadvisedly sent noble-hearted, magnanimous Caesar the head of his erstwhile enemy Pompey in that plastic bag. And when Cleopatra bewitches Caesar, the love-struck Roman is enticed into the jaws of an outsize Venus Flytrap, which snaps shut, literally swallowing him up.

While purists might regard such gags as provocative and irreverent, no such prejudice exists among new Handel enthusiasts, to judge by audience reactions. And Handel operas were, after all, supposed to divert, even amaze, otherwise they could hardly have dominated the commercial London stage for three decades in the 18th century when they were first written.

FOR a long time after the rediscovery of these operas, they were mercilessly abridged. The trims for this production, however, in keeping with the current search for authenticity, are discreet and intelligently made, and the show goes on for nearly four hours.

Playing with their usual professionalism, the Munich Opera orchestra, vigorously conducted by Ivor Bolton, achieves a creditable impression of baroque sound. However, the stopped horns, to take but one example, simply cannot match the "natural," unstopped instruments for which Handel wrote his marvelous antiphonal final fanfare. Given the respect shown here for the integrity of the music, it is a pity that period instruments are not being played.

Ann Murray, in camouflage kilt, maroon jacket with epaulets, and bald head, portrays the eponymous hero (as she did in last year's equally modernistic "Xerxes," directed by Martin Duncan, which will also figure in this year's Munich Opera Festival in July), providing once again the indefatigable engine that drives the whole production along. Murray's energy seems as limitless as her ability to handle with panache any physical challenge a director throws at her — managing here to project her voice crisply and audibly even singing face down after she has dragged herself out of those shark-infested waters onto the beach.

Pamela Coburn conveys the necessary blend of strength and vulnerability in her convincing Cleopatra (one of Handel's most powerful realizations of character-in-music), and an excellent Kathleen Kuhlmann brings dignity and pathos to Cornelia, Pompey's widow, the most challenging major role to carry off in the entire opera, and works well with an engaging and accomplished Trudeliese Schmidt, as her son Sesto.

There will be festival performances of "Giulio Cesare" on July 13 and 16, and of "Xerxes" on July 23.

Phil Bray

*Ralph Fiennes and Kristin Scott Thomas in "The English Patient," which picked up 12 nominations.*

## 'English Patient': 12 Oscar Bids

By Lynn Elber
*The Associated Press*

BEVERLY HILLS, California — The sweeping wartime epic "The English Patient" led with 12 Academy Award nominations on Tuesday as Oscar voters recognized independent films but not one particular material girl.

Madonna failed to receive a best actress bid for her star turn as Argentina's controversial first lady in the musical "Evita." The film based on the stage play also failed to garner a best picture nod.

Independents triumphed over major studio releases. Led by "The English Patient," they claimed four of the five best picture nods and many other top nominations.

Best picture contenders also included "Fargo," "Secrets & Lies," "Shine" and Tri-Star's "Jerry Maguire," the only picture in that category coming from a major studio.

"Fargo" and "Shine" had seven nominations apiece, while "Jerry Maguire" and "Secrets & Lies" each got five.

Best actor nominees included Ralph Fiennes for "The English Patient," Tom Cruise for "Jerry Maguire," Woody Harrelson for "The People vs. Larry Flynt," Geoffrey Rush for "Shine" and Billy Bob Thornton for "Sling Blade."

His performance as a retarded man with a violent past was a breakthrough for the relatively obscure Thornton, who also received a screenplay nomination as the writer of "Sling Blade" and was the film's director as well. He was a regular on the CBS situation comedy "Hearts Afire."

Top actress contenders were Kristin Scott Thomas for "The English Patient," Brenda Blethyn for "Secrets & Lies," Diane Keaton for "Marvin's Room," Frances McDormand for "Fargo" and Emily Watson for "Breaking the Waves."

Also favored but missing from the actress nominees was Debbie Reynolds for her role in "Mother."

THE awards will be given out March 24. Billy Crystal will be host.

The controversial film "The People vs. Larry Flynt," about the life of the Hustler sex magazine publisher, didn't receive a best picture nod, but saw its director Milos Forman nominated as well as its star.

Forman competes with Anthony Minghella for "The English Patient," Joel Coen for "Fargo," Mike Leigh for "Secrets & Lies" and Scott Hicks for "Shine."

Supporting actor contenders were Cuba Gooding Jr. for "Jerry Maguire," William H. Macy for "Fargo," Armin Mueller-Stahl for "Shine," Edward Norton for "Primal Fear" and James Woods for "Ghosts of Mississippi."

In the supporting actress category were Lauren Bacall for "The Mirror Has Two Faces," Joan Allen for "The Crucible," Juliette Binoche for "The English Patient," Barbara Hershey for "The Portrait of a Lady" and Marianne Jean-Baptiste for "Secrets & Lies."

Also forgotten by the academy was Courtney Love, the rock singer and sometime actress who played Flynt's outrageous wife in "The People vs. Larry Flynt."

Foreign language film nominees were "A Chef in Love," from the former Soviet Union republic of Georgia; "Kolya," the Czech Republic; "The Other Side of Sunday," Norway; "Prisoner of the Mountains," Russia; and "Ridicule," France.

In addition to best picture, director and three acting nominations, "The English Patient" also got nominations for adapted screenplay, original dramatic score, cinematography, art direction, costume design, film editing and sound.

## The Gifts From Shostakovich

By George W. Loomis

ST. PETERSBURG — Mstislav Rostropovich is the dedicatee of Shostakovich's two cello concertos and readily acknowledges his artistic debts to the composer. Yet Shostakovich made him a gift that went overlooked until recently: A plan for a festival of the composer's music. With that plan as the foundation, Rostropovich assembled a 12-concert Shostakovich celebration, which runs through Feb. 22.

The plan was apparently sketched out in the early 1960s, sometime after Shostakovich and Rostropovich collaborated on performances at the Edinburgh Festival. But it sat in Rostropovich's personal files until he came across it a couple of years ago. The idea of realizing the composer's intentions, Rostropovich has said, took on a "mystical significance" for him, and he came to feel a special duty to do so in the city where Shostakovich was born and lived for much of his life.

The impressive list of participants Rostropovich has brought together suggests that others felt a similar inspiration: conductor Yuri Temirkanov, violinists Gidon Kremer and Victor Tretyakov, cellist Alexander Knyazev, pianist Ignat Solzhenitzyn, mezzo soprano Olga Borodina, and the Taneyev and Borodin quartets, among others. And the orchestral works of the composer are in the secure hands of the St. Petersburg Philharmonic Orchestra; the festival embraces eight of the 15 symphonies.

Much has been made of the "public" and "private" sides of Shostakovich's music, but the festival shows Shostakovich in a comparatively optimistic mood, in part because of the accident of timing. The late works, haunted by thoughts of death, were not yet written when the plan was conceived.

Apart from this, the choice of works suggests that Shostakovich may have wanted the festival to have at least a modicum of conviviality, though it is just as likely that he remained concerned about what the Soviet authorities would accept. On the boards, for instance, is not the highly personal Fourth Symphony, withheld until 1961, but the ever-popular Fifth, which helped rehabilitate the composer after Stalin's devastating attack in 1936. And of the two wartime symphonies, the Eighth, a grim reflection on war, which lost favor after another round of attacks in 1948, deferred to the vociferously patriotic Seventh.

At the opening concert last month, Temirkanov led a bracing performance of the Seventh, with all requisite military spit-and-polish, but it was especially moving to witness Rostropovich as soloist in the First Cello Concerto, which he played at its premiere here, in the composer's presence, nearly 40 years ago.

After the opening, the baton passed to Rostropovich. His reading of the First Symphony, the work that established the 20-year-old composer's international reputation, showed it to be a work of considerable depth as well as sure design. The Tenth Symphony was another high point among the early concerts, a brilliantly constructed, intensely absorbing work.

And one gained renewed respect for the craftsmanship of Shostakovich's essays in concerto form, especially when treated to the kind of luminous account Kremer gave of the Second Violin Concerto. Among the chamber works, the irresistible E-minor Piano Trio worked its magic through an impassioned reading, with Rostropovich again on cello.

Vocal music plays a secondary role, but Shostakovich envisioned a place for Rostropovich's wife Galina Vishnevskaya in the festival. She graced the audience, but the music designated for her, including the urbane cycle "Satires" and Shostakovich's orchestration of Mussorgsky's "Songs and Dances of Death," are now assigned to others.

THE St. Petersburg audience may have more Shostakovich blood running through its veins than do most others, but it has a thing or two to learn about him too. Only last year, for instance, did it hear the original version of the opera "Lady Macbeth of Mtsensk" after years of suppression. The current opportunity is not being missed. Even at a top price of 100,000 rubles (about $18) — an unheard of amount here — tickets are hard to come by.

Rostropovich, who turns 70 this year, sees himself occupied with ever more Shostakovich in the years ahead. Preparations for festivals along similar lines are under way for England and Japan.

*George W. Loomis writes about music for the St. Petersburg Times.*

## A Spare 'Pelleas,' Stylized as Noh

By David Stevens
*International Herald Tribune*

PARIS — Debussy's "Pelleas et Melisande," which is both a cornerstone of the French repertory and an operatic one-of-a-kind, is back at the Palais Garnier in an ultra-stylized production by Robert Wilson and a rich musical realization under James Conlon.

Wilson's staging is as highly formalized as a Noh play. The movements of the singers are choreographed rather than literal representations of what the libretto says, and sense of place is left mostly to the viewer's imagination and knowledge of the story.

Wilson's decor is spare and geometric and a flat backdrop is used as a screen on which varied colors and cloudlike shapes are projected. Frida Parmeggiani's costumes are like uniforms — a white suit for Pelleas, a black one for Golaud, while Melisande is outfitted like the hostess at a cocktail party and little Yniold is dressed as if he were a 16th-century child prince.

The characters never touch each other. Not in the tower scene, where Pelleas and Melisande communicate from opposite sides of the stage and he does not come anywhere near her long hair, let alone get tangled up in it. Not even when the enraged Golaud seizes Melisande by the hair and throws her around (according to the libretto) — here, Golaud's cruelty is limited to his words, which have a visibly torturing effect on his young wife.

With such stylized movement, the text becomes doubly important, and because the text says things mostly by suggestion and leaving things unsaid, the music also gains in importance, for Debussy begins where Maurice Maeterlinck's words leave off.

So much the better, then, that Conlon has his fine orchestra speak out in full voice, realizing the richness of tonal color that Debussy put into the score.

He also has the singers to match this forthright approach. Suzanne Mentzer is vocally a more than normally substantial Melisande, and Jose Van Dam is a pillar of strength as Golaud, all the more menacing in his tortured jealousy because it is concentrated in his voice rather than given physical outlet. Russell Braun's clear, almost tenorish baritone was well employed in Pelleas's music. Victor von Halem was a sonorous Arkel. Felicity Palmer the solid Genevieve and Gaele Le Roi a pert Yniold.

There are six more performances through March 2 at the Palais Garnier, and the Salzburg Festival, which is a co-producer, presents it in its 1997 program.

Perhaps it is a coincidence, but almost simultaneous with this production of Debussy's only completed opera, there are productions in Paris theaters of two plays by Maeterlinck, whose work is all but unknown now, although he was celebrated in his day. "Pelleas et Melisande" is at the Athenee, and "La Mort de Tintagiles" is at the Theatre Gerard-Philipe in Saint-Denis.

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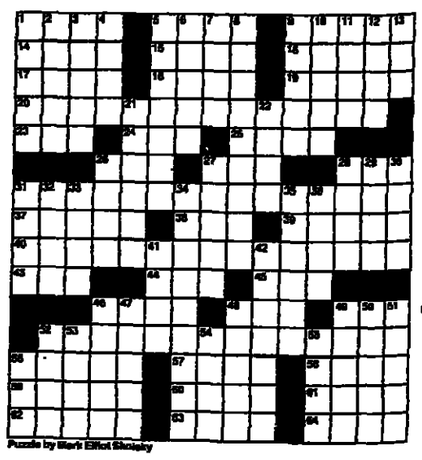
## CROSSWORD

**ACROSS**
1 Wingding
5 Commoner
9 Rabbit
14 "What have you been ——?"
15 Hideout
16 "Home ——"
17 Rabbit's title
18 1 for H, or 2 for He
19 Poet who wrote "The Sonnets to Orpheus"
20 Line from a Copland "Portrait"
23 Darrow of "King Kong"
24 Pilot's heading: Abbr.
25 Plains Indian
26 Political suffix
27 "Looky here!"
28 Hydroelectric project
31 Line from a Copland "Portrait"
37 Versifier Nash
38 Teachers' grp.
39 McDowall of "Planet of the Apes"
40 Line from a Copland "Portrait"
43 Married
44 "My mama done —— me"
45 Eggs
46 Year Justinian II regained the throne
48 Clothing size: Abbr.
49 Certain brain size
52 Subject of Copland's "Portrait"
56 "Go ahead and ask"
57 Sound system brand
58 Over
59 Kind of boom
60 Writer Bombeck
61 Site of the fabled forges of the Cyclopes
62 "Christina's World" painter
63 Navy diver
64 Close

**DOWN**
1 Good ole boy
2 It keeps a cook tied up
3 Rudder's locale
4 Telephone, slangily
5 Outlined
6 Potato pancake
7 "—— kleine Nachtmusic"
8 Kind of tube
9 Lash of old westerns
10 "A Town Like ——" (Nevil Shute novel)
11 11th President
12 Like an octopus's defense
13 Bio word
21 Have in view
22 1982 cyberfilm
26 "Uh-huh"
27 Newsman Roger
28 Carpenter's groove
29 Como's "—— Love You So"
30 Baseball's "Say Hey Kid"
31 Hershey candy
32 Not for
33 "If I Knew You Were Comin' —— Baked a Cake"
34 Pioneers
35 Motivated
36 Suburban New York college
41 Hankering
42 Like Mr. Spock's answers
46 French right
47 Fisherman's take-home
48 Cousin of a camel
49 Florence's —— Vecchio
50 Actress Verdugo
51 Egypt's Sadat
52 Ter hell
53 Archeological find
54 A —— bagatelle
55 Normandy city
56 24-Across's opposite



Puzzle by Mark Effiot Shoskey

© New York Times/Edited by Will Shorts.

**Solution to Puzzle of Feb. 11**

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| S | E | P | T | E | T | | E | D | I | T | I | O | N | S |
| T | E | E | | N | I | A | | | T | A | N | S | | |
| | | P | U | T | T | E | R | A | R | O | U | N | D | |
| A | D | D | I | S | | T | R | U | R | O | | R | O | Y |
| L | I | O | N | | D | E | R | B | Y | | F | E | T | E |
| P | E | W | | M | A | N | O | R | | R | O | S | E | S |
| S | U | N | D | A | Y | D | R | I | V | E | R | | | |
| | | G | O | L | D | | | C | I | A | | E | S | C |
| S | O | R | C | E | R | E | R | | S | C | A | M | P | I |
| T | H | A | T | | E | L | I | J | A | H | W | O | O | D |
| U | N | D | O | | A | L | O | N | G | | E | T | R | E |
| B | O | E | R | | M | E | T | R | E | | S | E | E | R |

EMU Worry Gives Dollar Added Lift
German Economy Overshadows Euro
New at Reader's
CURRENCY
Cross Rates
Euro Dollar Values
Forward Rates

# EMU Worry Gives Dollar Added Lift

## *German Economy Overshadows G-7*

*Compiled by Our Staff From Dispatches*

NEW YORK — The dollar resumed its climb against most other major currencies Tuesday, rising strongly against the Deutsche mark, amid growing concern about Germany's economic troubles just days after major industrial nations indicated the U.S. currency had risen far enough.

Meanwhile, U.S. Treasury Secretary Robert Rubin told the House of Representatives' Ways and Means Committee that the dollar had corrected itself against other currencies and that its move had helped U.S. prosperity. He said the strong dollar had brought low inflation and low interest rates to the United States.

Although he said the U.S. currency was "now back in a normal range," his comments seemed to have little impact as traders focused on the mark.

Traders sold marks after the BBC reported that Germany's budget deficit this year would be too large to meet the criteria for a single European currency.

"People were piling out of the Deutsche mark, looking for any excuse to buy dollars," said Mike Casey, a manager for Federated Investors.

"News reports have got people thinking about how weak the German economy is."

The dollar rose to 1.6756 Deutsche marks from 1.6554 DM in late trading.

It was also quoted at 123.050 yen, up from 122.775 yen.

The U.S. currency also gained to 1.4355 Swiss francs from 1.4260 francs and to 5.6530 French francs from 5.5910 francs.

The pound was at $1.6365, down from $1.6408.

The pound soared against the mark as investors sought a haven from Germany's economic troubles and the turmoil surrounding monetary union. Britain has not decided yet whether to join the single currency.

The BBC report said the German budget deficit would reach 3.5 percent of gross domestic product this year, exceeding the 3 percent cap required for members of European monetary union.

But the German Finance Ministry dismissed the report and repeated its latest estimate that the deficit would total 2.9 percent of economic output this year. Concern that Germany's deficit will bulge grew after the government said last week that joblessness rose to its highest level since 1933 in January.

The dollar's strong rise against the

See DOLLAR, Page 12

The staff: Michael Berman, left, Elizabeth Mitchell, Matt Berman, John Kennedy Jr., Elinore Carmody-Gibbons.

Monica Almeida/The New York Times

# George Searches for a Little Respect

By Robin Pogrebin
*New York Times Service*

NEW YORK — John F. Kennedy Jr. has heard it all by now.

He has heard the skeptics question time and again whether he is just using his political magazine, George, as a springboard for his own political career.

**MEDIA MARKETS**

He has heard pundits pooh-pooh his publication — which combines occasionally weighty cover lines like "The End of Social Security" with cover images like the supermodel Claudia Schiffer in nothing but a red, white and blue Clinton-Gore banner — as just so much celebrity fluff.

He is aware that people in the media industry mutter to themselves disparagingly, "Who's reading George?"

And yes, the naysaying rankles.

But while George may so far have failed to gain enthusiastic accolades in elite publishing and political circles, the magazine announced this month that it had reached a circulation of 400,000 in just a year and a half.

George is now the largest political magazine in the country.

So Mr. Kennedy has been forced to come to terms with the prospect that winning readers and winning respect may

See GEORGE, Page 13

# Productivity Gains Ease Inflation Fears

## *U.S. Labor Costs Stay in Control*

*Compiled by Our Staff From Dispatches*

WASHINGTON — The productivity of U.S. workers rose a larger-than-expected 2.2 percent in the fourth quarter — the biggest gain in three years — as labor costs were contained, government figures showed Tuesday.

Productivity, a key measurement of how quickly living standards can rise, rose 0.8 percent for all of 1996, more than doubling its 0.3 percent gain of 1995. It was the best showing since productivity shot up 3.2 percent in 1992 in a recovery from the recession of 1990-91.

But in a figure likely to calm fears of a rise in inflation, the government said unit labor costs — which take into account both hourly wages and productivity — rose at only a 1.4 percent annual rate in the fourth quarter, down from a 3.3 percent rate in the previous quarter. For the year, unit labor costs rose 2.9 percent, the same as in 1995.

For businesses and workers, productivity gains are crucial to increases in profits and living standards. For the Federal Reserve Board, an improvement in productivity can signal a lack of inflationary pressures — which means there is no need to raise interest rates.

"Labor costs are still well contained," said Robert Dederick, an economic consultant at Northern Trust Co. in Chicago. The Fed "can remain on hold" on interest rates, he said.

The U.S. unemployment rate, at 5.4 percent in January, is near a seven-year low. But some economists say the reason a relatively tight labor market has not produced wage inflation is that global competition and the memory of large layoffs a few years ago have made workers more concerned about job security and less likely to demand large raises.

Although productivity in 1996 was the best in four years, it did not match that of the 1950s and 1960s, when productivity often rose more than 2 percent a year. Since the early 1970s, productivity gains have been averaging about 1 percent.

Economists say the lag in productivity gains compared with the early postwar years is at the root of many problems in the U.S. economy, from worker insecurity to slow growth in average incomes. Still, analysts said the 1996 figure was not bad, considering that the current economic expansion is six years old. Late in an economic cycle, with businesses using much of their operating capacity, productivity gains can be hard to come by.

"Basically the long-term trend in productivity is estimated at about 1 percent a year," said Carl Palash, an economist with MCM MoneyWatch Inc., a New York-based consulting firm. "Typically, productivity is below trend when you reach high levels of utilization, so the fact that it's staying close to trend is a very good development."

Separately, the weekly Bank of Tokyo-Mitsubishi/Schroder Wertheim report on U.S. retail sales showed that sales rose 0.9 percent last week from the previous week, led by Wal-Mart Stores Inc. *(AP, Bloomberg)*

# 15% Rise in Profit and a Plan to Sell Units Lift Unilever's Shares

*Compiled by Our Staff From Dispatches*

LONDON — Unilever Group reported a 15 percent rise in annual profit Tuesday and put its specialty-chemicals units up for sale, a move that is expected to raise as much as £5 billion ($8.2 billion).

The Anglo-Dutch consumer-products company said pretax profit rose to £2.66 billion last year on a 6 percent rise in revenue, to £33.52 billion.

The company, which also reports its earnings in guilders, said profit rose to 4.12 billion guilders ($2.21 billion) from 3.73 billion guilders in 1995. Sales were 87.8 billion guilders, up from 79.7 billion guilders.

Unilever shares surged on the results, which were better than analysts had forecast, and on the planned sale.

In London, Unilever rose 62 pence to 1,472. In Amsterdam, the shares closed at 331.30 guilders, up 17.90.

Unilever's chairman, Niall FitzGerald, said the sale of the specialty-chemicals businesses would enable the company to concentrate on achieving growth in its consumer-goods operations, particularly in developing and emerging markets.

Analysts said the sale, which could put Unilever in position for a major acquisition in its main food, detergents and personal products businesses, was well timed.

Mr. FitzGerald said, meanwhile, that the overall economic situation in 1997, as in 1996, was likely to be generally favorable for the company, but he said he saw little reason to believe that conditions in Europe, particularly in France and Germany, would improve.

"The figures were excellent," Peter de Bie, a stock trader in Amsterdam, said. "It looks like their fourth quarter was a lot better than analysts were expecting, and their prospects remain good too."

The company also said it planned to sell its four international chemicals units to expand its consumer-products business, which includes brands such as Dove soap and Breyers ice cream.

The units, which account for about 9 percent of Unilever's total sales, are National Starch & Chemical Co. in the United States, Quest International and Unichema International NV in the Netherlands and Crosfield PLC in Britain.

"These are extremely large and important parts of our businesses," Mr. FitzGerald said. "But for some time we have been reviewing whether they should be a continuing part of the portfolio — not because they are poorly performing themselves; they are excellent performers — but whether we can give them the concentration and the focus that they require."

He did not say how much the businesses, which have 15,800 employees in more than 35 countries, might bring. Analysts estimate they could fetch £4.5 billion to £5 billion. In the short term, Mr. FitzGerald said, their sale would wipe out the company's net borrowings of £1.7 billion. The proceeds would also be used for acquisitions in growth areas, he said, such as Asia and the Pacific or South America and in categories such as detergents, tea, ice cream, personal-care products and fragrances.

"In China I would like to have a business 10 times the size," he said.

*(Reuters, Bloomberg, AFX)*

# New at Reader's Digest: Ads on Back

By Stuart Elliott
*New York Times Service*

Reader's Digest, for the first time since it began accepting advertising 42 years ago, is selling space on its back cover.

If the estimated 50 million readers of the American edition of the magazine flip over any of the 15 million copies of the February issue, they will see an advertisement, in the form of a perforated gatefold flap, by Leo Burnett Co. in Chicago for a longtime client, Hallmark Cards Inc.

On one side of the advertisement is a pitch for Hallmark cards, part of a yearlong series known appropriately enough as the back-cover campaign. The other side bears a reminder to watch the "Hallmark Hall of Fame" show.

When Reader's Digest executives decided in 1955 to accept advertising, 33 years after its first issue, they prohibited selling space on the back cover, which at other publications is a highly prized — and expensive — advertising position. In place of ads, the back covers of the Digest, a monthly with 48 editions in 19 languages, have featured artwork, usually paintings by artists from around the world.

That policy was emblematic of the strict rules under which the magazine has sold advertising. Other strictures prohibit ads for cigarettes or alcoholic beverages.

The new back-cover policy — which still carries certain restrictions — is more than another effort to bolster ad sales. The shift is indicative of efforts by Digest managers to update their sales strategies and shake off an image as a fusty, musty marketer.

That is becoming increasingly important as the magazine's parent, Reader's Digest Association, strives to improve its financial performance after posting disappointing results in operations such as books and music.

"The magazine does need to evolve," said Gregory Coleman, publisher of the American edition of the Digest and vice president and general manager for U.S. magazines at the Digest Association in New York.

Too many media, Mr. Coleman said, have adopted changes that can blur the line between editorial content and advertising, and this "creates reader confusion."

The Digest must be "heavily reader-driven," he said, in part because circulation brings in 65 percent of its total revenue, a high rate compared with other magazines.

Hallmark and Burnett will buy the Digest's back cover "at least once more, and maybe twice more, this year," said Brad Moore, Hallmark's vice president for advertising.

Mr. Coleman estimated the cost of a back-cover ad at $350,000 to $500,000, compared with $192,000 for a one-time four-color ad inside the magazine.

The Digest is exploring back-cover ads in its international editions, Mr. Coleman said, as well as back covers featuring perhaps a photograph sponsored by a film company, or a painting with a corporate logotype below it.

Other policy changes may be considered, too, he said, perhaps even accepting liquor ads.

Some policies, though, will not change, Mr. Coleman said — such as the ban on tobacco ads.

# CURRENCY & INTEREST RATES

## Cross Rates

Feb. 11

| | $ | £ | D.M. | F.F. | Lira | D.fl. | B.F. | S.F. | Yen | C$ | Peseta |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 1.877 | 3.085 | 1.1220 | 0.3326 | 0.1146* | — | 5.405* | 1.31 | 1.486* | 1.398 | 1.328* |
| Brussels | 34.2275 | 56.11 | 20.63 | 6.1105 | 2.0944* | 18.375 | — | 24.0725 | 0.2802 | 25.36 | 24.3125* |
| Frankfurt | 1.6698 | 2.7377 | — | 0.2963 | 0.1019* | 0.8907 | 4.857* | 1.1696 | 1.359* | 1.2235 | 1.1805* |
| London (a) | 1.6424 | — | 2.7463 | 9.2873 | 2,690.27 | 3.0823 | 56.6629 | 2.3547 | 202.1302 | 2.2229 | 232.794 |
| Madrid | 141.53 | 232.251 | 84.632 | 25.067 | 8.633* | 75.374 | 4.1017 | 98.723 | 114.953* | 104.566 | — |
| Milan | 1,638.75 | 2,685.60 | 977.90 | 290.82 | — | 875.00 | 47.572 | 1,145.90 | 13.30 | 1,211.35 | 11.608 |
| New York (b) | — | 1.6372a | 1.6784 | 5.661 | 1,645.00 | 1.8822 | 34.48 | 1.4356 | 122.425 | 1.354 | 140.425 |
| Paris | 5.646 | 9.265 | 3.3758 | — | 0.3444* | 3.0089 | 0.1636 | 3.9384 | 4.5858* | 4.1714 | 3.9905* |
| Tokyo | | | | | Closed | | | | | | |
| Toronto | 1.3544 | 2.2164 | 0.8083 | 0.2396 | 0.0825* | 0.7147 | 0.3918* | 0.9435 | 1.1007* | — | 0.9555* |
| Zurich | 1.4353 | 2.3564 | 0.8583 | 0.2543 | 0.0876* | 0.7648 | 4.1595* | — | 1.1682* | 1.0594 | 1.0149* |
| 1 ECU | 1.1695 | 0.7127 | 1.956 | 6.6031 | 1,917.25 | 2.1959 | 40.354 | 1.6766 | 143.99 | 1.5929 | 165.474 |
| 1 SDR | 1.386 | 0.8454 | 2.3143 | 7.8254 | 2,272.15 | 2.6025 | 47.648 | 1.9827 | N.Q. | 1.8803 | 196.105 |

*Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3 p.m.*
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

## Other Dollar Values

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argent. peso | 0.9988 | Greek drac. | 261.36 | Mex. peso | 7.788 | S. Afr. rand | 4.43 |
| Australian $ | 1.3153 | Hong Kong $ | 7.7442 | N. Zealand $ | 1.4552 | S. Kor. won | 869.10 |
| Austrian sch. | 11.771 | Hung. forint | 171.23 | Norw. krone | 6.6237 | Swed. krona | 7.412 |
| Brazil real | 1.0471 | Indian rupee | 35.88 | Phil. peso | 26.34 | Taiwan $ | 27.54 |
| Chinese yuan | 8.3216 | Indo. rupiah | 2377.25 | Polish zloty | 3.00 | Thai baht | 25.94 |
| Czech koruna | 27.72 | Irish £ | 0.6261 | Port. escudo | 167.90 | Turkish lira | 117555. |
| Danish krone | 6.3736 | Israeli shek. | 3.3194 | Russ ruble | 5639.0 | UAE dirham | 3.6705 |
| Egypt. pound | 3.3985 | Kuw. dinar | 0.2998 | Saudi riyal | 3.75 | Venez. boliv. | 474.00 |
| Fin. markka | 4.9425 | Malay. ring. | 2.489 | Sing. $ | 1.4153 | | |

## Forward Rates

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.6424 | 1.6415 | 1.6405 | Japanese yen | 122.36 | 121.81 | 121.31 |
| Canadian dollar | 1.3505 | 1.3476 | 1.3452 | Swiss franc | 1.4279 | 1.4231 | 1.4188 |
| Deutsche mark | 1.6653 | 1.6618 | 1.6587 | | | | |

*Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.*

## Libid-Libor Rates

Feb. 11

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | Yen | ECU |
|---|---|---|---|---|---|---|---|
| 1-month | 5 1/4 - 5 5/16 | 3 - 3 1/8 | 1 7/16 - 1 9/16 | 6 1/4 - 6 3/8 | 3 1/8 - 3 1/4 | 7/16 - 1/2 | 4 - 4 1/8 |
| 3-month | 5 3/8 - 5 7/16 | 3 1/16 - 3 3/16 | 1 9/16 - 1 11/16 | 6 7/16 - 6 9/16 | 3 1/8 - 3 1/4 | 7/16 - 9/16 | 4 - 4 1/8 |
| 6-month | 5 1/2 - 5 9/16 | 3 - 3 1/8 | 1 1/2 - 1 5/8 | 6 1/2 - 6 5/8 | 3 3/16 - 3 5/16 | 7/16 - 9/16 | 4 - 4 1/8 |
| 1-year | 5 11/16 - 5 3/4 | 3 3/16 - 3 5/16 | 1 5/8 - 1 3/4 | 6 13/16 - 6 15/16 | 3 5/16 - 3 7/16 | 1/2 - 5/8 | 4 - 4 1/8 |

*Sources: Reuters, Lloyds Bank.*
*Rates applicable to interbank deposits of $1 million minimum (or equivalent).*

## Key Money Rates

| United States | Close | Prev |
|---|---|---|
| Discount rate | 5.00 | 5.00 |
| Prime rate | 8 1/4 | 8 1/4 |
| Federal funds | 5.00 | 5 1/16 |
| 90-day CDs dealers | 5.37 | 5.38 |
| 180-day CP dealers | 5.28 | 5.30 |
| 3 month Treasury bill | 5.14 | 5.12 |
| 1-year Treasury bill | 5.49 | 5.49 |
| 2-year Treasury bill | 5.85 | 5.84 |
| 5-year Treasury note | 6.16 | 6.15 |
| 7-year Treasury note | 6.26 | 6.25 |
| 10-year Treasury note | 6.41 | 6.40 |
| 30-year Treasury bond | 6.70 | 6.71 |
| Merrill Lynch 30-day RA | 4.90 | 4.90 |
| **Japan** | | |
| Discount rate | 0.50 | 0.50 |
| Call money | Clsd. | 0.41 |
| 1-month interbank | — | 0.56 |
| 3-month interbank | — | 0.56 |
| 6-month interbank | — | 0.59 |
| 10-year Gov't bond | — | 2.47 |
| **Germany** | | |
| Lombard rate | 4.50 | 4.50 |
| Call money | 3.15 | 3.13 |
| 1-month interbank | 3.15 | 3.15 |
| 3-month interbank | 3.15 | 3.15 |
| 6-month interbank | 3.15 | 3.15 |
| 10-year Bund | 5.59 | 5.63 |

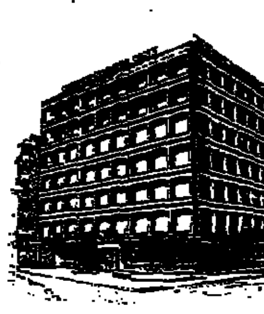
| Britain | | |
|---|---|---|
| Bank base rate | 6.00 | 6.00 |
| Call money | 7.00 | 6 1/2 |
| 1-month interbank | 6 1/8 | 6 1/8 |
| 3-month interbank | 6 3/16 | 6 1/4 |
| 6-month interbank | 6 5/16 | 6 3/8 |
| 10-year Gilt | 7.13 | 7.15 |
| **France** | | |
| Intervention rate | 3.10 | 3.10 |
| Call money | 3 3/16 | 3 3/16 |
| 1-month interbank | 3 1/4 | 3 1/4 |
| 3-month interbank | 3 1/4 | 3 1/4 |
| 6-month interbank | 3 1/4 | 3 1/4 |
| 10-year OAT | 5.45 | 5.51 |

*Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.*

## Gold

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Zurich | 339.50 | 339.45 | —1.00 |
| London | 338.85 | 339.40 | —1.00 |
| New York | 342.90 | 341.90 | —1.20 |

*U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)*
*Source: Reuters.*

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Republic clients are uncommonly perceptive people. They know we offer all the services of a modern, growth-oriented bank. Yet ask any of them to describe Republic in one word - and that word is invariably: Safe.

The main reason is that we have built Republic's global operations with client security uppermost. It's why we maintain one of the strongest capital ratios in the banking

WIDELY RECOGNIZED AS ONE OF THE WORLD'S SAFEST BANKS.

industry, a high degree of operating efficiency and a relatively small loan portfolio. Our credit ratings are AA.

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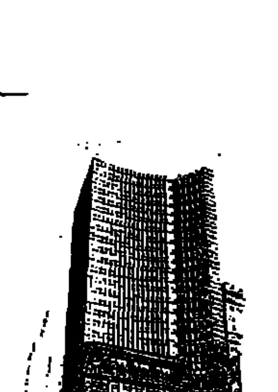

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THE AMERICAS

## Investor's America

The Dow | 30-Year T-Bond Yield | Dollar in Deutsche marks | Dollar in Yen
6800 6200 5600 | 6.95 6.65 6.35 | 1.67 1.57 1.47 | 123 115 107
S O N D J F 1996 1997

| Exchange | Index | Tuesday @4PM | Prev. Close | % Change |
|---|---|---|---|---|
| NYSE | The Dow | 6858.11 | 6806.54 | +0.76 |
| NYSE | S&P 500 | 789.54 | 785.43 | +0.52 |
| NYSE | S&P 100 | 770.20 | 764.90 | +0.69 |
| NYSE | Composite | 414.09 | 412.35 | +0.42 |
| U.S. | Nasdaq Composite | 1331.35 | 1335.39 | -0.30 |
| AMEX | Market Value | 589.24 | 587.84 | +0.24 |
| Toronto | TSE Index | 6122.49 | 6080.80 | +0.69 |
| São Paulo | Bovespa | Closed | 83165.54 | - |
| Mexico City | Bolsa | 3741.77 | 3683.25 | +1.59 |
| Buenos Aires | Merval | 708.38 | 706.44 | +0.26 |
| Santiago | IPSA General | 5280.95 | 5316.83 | -0.67 |
| Caracas | Capital General | N.A. | 8402.88 | - |

Source: Bloomberg, Reuters — International Herald Tribune

# The Rich-Poor Gap in the U.S. Seems to Stabilize

By Robert D. Hershey Jr.
*New York Times Service*

WASHINGTON — A new White House report contends that the gap between rich and poor in America appears to have stopped widening and may have reversed.

"In the last few years some signs have begun to emerge that inequality may be stabilizing and perhaps even declining slightly," President Bill Clinton's Council of Economic Advisers said Monday in an annual report on the state of the economy.

While other reports in the last year, from the Census Bureau and from the University of Michigan, have shown a widening disparity between rich and poor Americans, the council found that the poorest 20 percent of U.S. households had the biggest income gains of any of the five 20-percentile groups.

The increase, averaging nearly 3.5 percent a year, was more than twice the gain of the top earning group. The council is a three-member panel headed by Joseph Stiglitz, who started his new job as chief economist of the World Bank on Tuesday.

Still, the council cautioned that the latest figures might prove to be only a pause rather than the start of a trend.

"It is too soon to tell whether a break in the long-term trend toward greater income inequality has occurred," the report says.

The council offered little by way of explanation for the latest figures other than to imply a shift in one or more of the reasons often cited for a widening of the disparity in wealth: more immigrants and women in the labor force, technological developments favoring skilled workers, the expansion of international trade and the "winner-take-all" phenomenon in which top people are paid far more than those with only slightly less ability.

But the report did say that the narrowing was sharper than would have been expected from a rising tide of business expansion that simply lifted all the boats.

Social Security is the government program that probably contributes most to reducing inequality, the panel said, with other important factors being the earned income tax credit and the minimum wage. The credit was made more generous in 1990 and 1993, and the minimum wage was raised in 1990 and 1996.

In the report's chapter on the labor market, the council disputed the contention of some analysts who, it said, believed that a basic change in the nature of the job market had occurred, with growth concentrated in low-paying jobs, wages falling, layoffs rising and prospects of long-term employment fading.

"These claims are exaggerated," the council said. "It is the jobs in the middle, the ones offering wages close to the median, that have become somewhat scarcer. Layoffs, meanwhile, are not rising: The rate of job loss has actually declined somewhat, although it does appear that certain categories of workers previously less affected by job loss are now more at risk."

# Blue Chips Rebound as Bargain-Hunters Enter Market

*Bloomberg News*

NEW YORK — Blue-chip stocks rose Tuesday, rebounding from a sell-off on Monday, as a round of profit-taking drew bargain-hunters into the market.

But the technology sector was still depressed as the semiconductor maker Intel lost an early advance, taking the wind out of a rally in computer shares.

"Today is another display of resilience by the market, as the common wisdom seems to be to buy on any setback," said Michael Metz, chief investment strategist at Oppenheimer.

The Dow Jones industrial average closed 51.57 points higher at 6,858.11. Advancing issues slightly outnumbered losers.

The Standard & Poor's 500-stock index rose 4.11 to 789.54. The Nasdaq composite index slumped 3.99 points to 1,331.35. Microsoft, Ascend and Oracle led the slide.

Intel and Microsoft fell after both companies' treasurers failed to convince investors attending a Goldman Sachs symposium that prospects for future growth were good enough to warrant bidding up the prices.

**U.S. STOCKS**

Two shares that were battered early in the week, the networkers 3Com and Cisco Systems, rebounded slightly.

A sell-off in computer shares began last week when analysts warned that Intel, an industry bellwether, may not duplicate its 1996 growth rate.

Concern that interest rates may rise also weighed on the market.

Investors are looking to a government sale of $39.5 billion of new debt that started Tuesday for clues to the strength of demand for U.S. assets.

"Stock investors want to see how much of an impact the debt sale will have," said Peter DaPuzzo, president of Cantor Fitzgerald.

The yield on the 30-year Treasury bond was unchanged at 6.70 percent after a Labor Department report showed that nonfarm productivity increased a larger-than-expected 2.2 percent in the fourth quarter. The price of the bond was quoted with a gain of 1/32, at 97 11/32.

America Online weakened after it reached a final settlement with 44 states to offer refunds to users of its on-line service who had had difficulty logging on.

Norfolk Southern fell after the rail operator started a proxy fight to gain control of Conrail's board and force it to consider Norfolk Southern's takeover bid.

Unilever's American depositary receipts rose. The company said fourth-quarter net profit rose 67 percent, helped by a change in accounting methods, and said it would sell specialty-chemicals units representing 9 percent of its sales. *(Bloomberg, Reuters, AP)*

## Very briefly:

### Time Warner's Profit Rises 79%

NEW YORK (AP) — Time Warner Inc. reported a 79 percent rise in fourth-quarter profit Tuesday, citing strong performances by its magazines, cable operations and Home Box Office premium cable channel.

The media and entertainment company's earnings rose to $59 million from $33 million in the comparable period a year earlier. Revenue grew to $3.70 billion from $2.36 billion.

"In October, we closed the merger between Time Warner and Turner Broadcasting System; Time Warner is now strategically complete," Gerald Levin, the company's chairman and chief executive, said.

For the full year, however, Time Warner reported a net loss of $191 million, compared with a loss of $166 million in 1995. Revenue rose to $10.06 billion from $8.07 billion.

• **Deere & Co.**'s profit for its first quarter rose 6.3 percent, to $176.7 million, on strong sales of agricultural equipment both inside and outside the United States.

• **Westinghouse Electric Corp.** said a charge reflecting the cost of cutting 1,100 jobs at its industrial businesses before they are spun off this year into a separate company resulted in a fourth-quarter loss of $34 million, compared with a loss of $7 million in the fourth quarter of 1995.

• **VF Corp.**, the maker of Lee and Wrangler jeans, plans a major restructuring that will require as many as 3,000 layoffs over the next four years, according to a newspaper report.

• **HBO & Co.** will acquire **Amisys Managed Care Systems Inc.** for about $182.7 million in stock to help its business of computer-systems sales to the health-care industry.

• **Johnson & Johnson** said it would buy **Innotech Inc.**, which manufactures equipment used to make eyeglass lenses, for $13.75 a share, or $123.8 million.

• **Compaq Computer Corp.** will set up a customer-care center in Dublin, Ireland, a move it said would create 550 jobs within three years. *AP, Bloomberg*

# DOLLAR: *Concern on EMU Sends Currency Still Higher*

Continued from Page 11

mark was also linked to a report citing unidentified German officials as saying they would welcome more strength in the U.S. currency and would prefer to see it around 1.70 to 1.75 DM.

The market thinks there "is more than a kernel of truth" in the report, according to Marc Chandler, an analyst at Deutsche Morgan Grenfell. The Germans are more likely to let the dollar go higher than the Japanese, Mr. Chandler said.

Dealers cited a comment made recently by a Bundesbank council member that a dollar rate of 1.80 DM would not be welcomed.

Many market participants have interpreted the report to mean that dollar gains up to 1.80 DM would be acceptable.

Earlier, the dollar briefly slipped below its highs, a move that was attributed to some apprehension over potential central bank intervention and profit-taking.

"The Group of Seven hasn't had any lasting impact," said Tony Norfield, currency economist at ABN-AMRO Bank in London.

Traders decided that central banks probably would not intervene at this time to put the brakes on the dollar, Mr. Norfield said.

Many traders contend that economic fundamentals, rather than the

**FOREIGN EXCHANGE**

G-7 leaders, will be paramount in driving exchange rates.

That means a higher dollar, they said, because U.S. economic growth is stronger than Germany or Japan's, and interest rates are higher in America, luring money to investments in the currency.

"The difficulty for the G-7 is that interest-rate differentials still favor the dollar," said Robert Hormats, vice chairman of Goldman Sachs International.

Dealers said the market would continue to test Group of Seven officials until they saw a policy adjustment or central bank intervention.

"Unless they start raising rates or doing something drastic like that, there will be no change in the trend" of a strengthening dollar, said Juergen Jjonker, a broker at Hollenkamp & Van Der Poel in Rotterdam.

"When you look at where the growth is in the world today," former U.S. Treasury Secretary James Baker said in a television interview, "I can't blame people for buying dollars."

In Europe, the mark also weakened, as traders expressed fear that Germany might not meet the deficit criterion for taking part in economic and monetary union.

In addition to the fact that a large budget gap would deter global investors from putting their money in Germany, "the thinking is that it will be a more watered-down euro," said Chris Iggo, currency strategist at Barclays Bank.

*(AFX, Bloomberg, Bridge News)*

# Apple Plans Big Charge For Acquisition of Next

By John Markoff
*New York Times Service*

CUPERTINO, California — Apple Computer Inc. plans to take a huge charge against earnings this quarter to reflect the cost of acquiring Next Software Inc., and its executive in charge of courting outside software allies will leave the company after a year in the job.

Apple said it would take a $322 million write-off for acquiring Next, which it agreed to buy in December in an effort to create new software technology for Apple's aging Macintosh computer line. The company also said it would pay about $30 million more for Next than the $400 million previously estimated.

The resulting loss, which Apple did not estimate but which will be absorbed in the current quarter, may mean that the company will not return to profitability in its current financial year, which ends in October.

Just last week, at the annual shareholders meeting, the chairman, Gilbert Amelio, had indicated that Apple might become profitable by its fourth quarter.

Analysts said Apple was trying to swallow most of the costs of acquiring Next in a single gulp, in hopes of putting the worst of its financial problems behind it.

Apple also announced Monday the resignation of Heidi Roizen, 38, a Silicon Valley entrepreneur who had joined Apple last February as part of an effort to court the crucial community of third-party software developers to write programs for the Macintosh.

## AMEX

**Tuesday's 4 P.M. Close**
The top 300 most active shares, up to the closing on Wall Street.
*The Associated Press.*

| Stock | Sales | High | Low | Latest | Chge |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## U. S. STOCK MARKET DIARY

### Indexes

**Dow Jones**

| | Open | High | Low | 3:30pm | Chg. |
|---|---|---|---|---|---|
| Indus | 6831.94 | 6846.18 | 6783.45 | 6809.62 | +3.08 |
| Trans | 2319.48 | 2321.32 | 2309.30 | 2313.93 | —1.54 |
| Util | 231.27 | 231.41 | 230.22 | 230.57 | —0.21 |
| Comp | 2113.51 | 2116.47 | 2108.80 | 2107.16 | |

**Standard & Poors**

| | Previous High | Previous Low | Previous Close | Today 4:00 |
|---|---|---|---|---|
| Industrials | 928.03 | 916.30 | 917.06 | 922.26 |
| Transp. | 559.00 | 551.72 | 552.55 | 553.95 |
| Utilities | 198.23 | 197.21 | 197.83 | 198.55 |
| Finance | 91.58 | 90.79 | 90.98 | 91.34 |
| SP 500 | 793.46 | 784.69 | 785.43 | 789.54 |
| SP 100 | 775.79 | 764.64 | 765.20 | 770.20 |

**NYSE**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| Composite | 415.51 | 412.01 | 412.35 | —1.45 |
| Industrials | 521.34 | 515.47 | 515.88 | —2.11 |
| Transp. | 364.19 | 359.54 | 360.17 | —3.19 |
| Utility | 270.13 | 268.16 | 269.90 | +1.72 |
| Finance | 384.34 | 382.10 | 382.40 | +0.27 |

**Nasdaq**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| Composite | 1360.34 | 1337.52 | 1339.01 | —18.70 |
| Industrials | 1141.99 | 1124.58 | 1124.58 | —16.79 |
| Banks | 1369.07 | 1364.78 | 1369.07 | +5.89 |
| Insurance | 1462.94 | 1457.75 | 1458.66 | +0.82 |
| Finance | 1781.58 | 1693.55 | 1700.82 | +9.02 |
| Transp. | 867.09 | 859.63 | 862.07 | —0.36 |

**AMEX**

| | High | Low | 3PM | Chg. |
|---|---|---|---|---|
| | 589.93 | 587.54 | 588.36 | +0.52 |

**Dow Jones Bond**

| | Close | Chg. |
|---|---|---|
| 20 Bonds | 103.41 | +0.06 |
| 10 Utilities | 100.26 | Unch. |
| 10 Industrials | 106.56 | +0.12 |

### Most Actives

**NYSE**

| | Vol. | High | Low | 3PM | Chg. |
|---|---|---|---|---|---|
| Motorola | 54108 | 67 | 62 | 62⅞ | —5⅛ |
| MercFn | 53333 | 2½ | 2¼ | 2⅜ | +1/16 |
| WstgEl | 38657 | 18⅜ | 17⅞ | 18 | +⅛ |
| IBM | 38589 | 144¼ | 141⅛ | 142⅞ | —⅛ |
| Compaq | 35577 | 79⅝ | 78½ | 78⅝ | +1½ |
| TelMex | 34083 | 38⅜ | 37 | 38½ | +3/16 |
| WalMart | 33485 | 24⅝ | 24⅜ | 24½ | — |
| HewlPk s | 30863 | 51 | 49 | 49¾ | +⅝ |
| MicrnT | 29817 | 33 | 31⅜ | 31¼ | —⅞ |
| WiscEn | 26621 | 25½ | 25¼ | 25⅜ | +⅛ |
| TimeWarn | 26299 | 41⅛ | 39⅞ | 40¾ | +1⅛ |
| EsteeLdr | 25218 | 47⅝ | 47⅛ | 47⅜ | — |
| PepsiCo s | 24645 | 32⅝ | 32¼ | 32⅜ | +⅜ |
| ChesEng s | 23571 | 22 | 20 | 20⅞ | +1 |
| LSI Log | 23518 | 32¼ | 30½ | 30¾ | —1⅜ |

**Nasdaq**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| 3Com | 362670 | 48¾ | 37 | 37⅞ | —13⅛ |
| Cisco s | 330715 | 62¾ | 58 | 58 | —5⅛ |
| Intel | 156677 | 158⅜ | 150 15/16 | 151⅜ | —4⅝ |
| Microsft s | 82535 | 101½ | 97⅛ | 97¾ | —2⅝ |
| Ascend | 79388 | 66½ | 61 | 62 15/16 | —4 3/16 |
| SunMic s | 69499 | 34½ | 33¾ | 33⅝ | —⅛ |
| WorldCm s | 64997 | 25⅜ | 24 15/16 | 25 | —⅛ |
| US Robt s | 63825 | 67⅛ | 60 | 61⅜ | —5⅛ |
| DellCpt s | 57482 | 66 | 62⅛ | 63¼ | —2⅛ |
| ApldMat | 54837 | 49½ | 46½ | 46½ | —2⅜ |
| Oracle s | 52943 | 40⅜ | 39⅞ | 40⅛ | +⅛ |
| Rapind s | 49551 | 36⅜ | 33½ | 34⅜ | —2 1/16 |
| TheraTx | 44859 | 16⅝ | 12 15/16 | 16⅜ | +3½ |
| CascCm s | 43148 | 36⅜ | 34¼ | 35 | —1 15/16 |
| Intel wt | 42822 | 119⅜ | 111¼ | 112½ | —4⅝ |

**AMEX**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Harken | 47696 | 5 | 4 11/16 | 4 11/16 | +1/16 |
| SPDR | 16073 | 79 11/32 | 78⅝ | 79 9/32 | +9/16 |
| ViacB | 13290 | 35⅛ | 34¼ | 34⅝ | +⅛ |
| Nabors | 10829 | 17⅛ | 16⅛ | 17⅛ | +⅛ |
| Hon wtB | 10370 | | | | |
| EchoBay | 9841 | 6 5/16 | 6⅛ | 6⅛ | —1/16 |
| RoyalO a | 8862 | 3 1/16 | 3 | 3 | —1/16 |
| Tmsmnt n | 8110 | 14⅜ | 14⅛ | 14⅛ | —⅛ |
| Identix | 7643 | 13⅛ | 12⅜ | 12⅜ | —⅛ |
| Hasbro | 6942 | 42⅜ | 42⅛ | 42⅜ | +⅛ |

### Trading Activity

**NYSE**

| | Noon | Prev. |
|---|---|---|
| Advanced | 1196 | 1169 |
| Declined | 1052 | 1345 |
| Unchanged | 935 | 823 |
| Total issues | 3183 | 3337 |
| New Highs | 98 | 162 |
| New Lows | 21 | 27 |

**Nasdaq**

| | Noon | Prev. Close |
|---|---|---|
| Advanced | 1756 | 1727 |
| Declined | 1779 | 2388 |
| Unchanged | 2213 | 1625 |
| Total issues | 5748 | 5740 |
| New Highs | 98 | 176 |
| New Lows | 40 | 79 |

**AMEX**

| | Noon | Prev. |
|---|---|---|
| Advanced | 179 | 271 |
| Declined | 229 | 287 |
| Unchanged | 188 | 192 |
| Total issues | 596 | 750 |
| New Highs | 17 | 25 |
| New Lows | 1 | 8 |

**Market Sales**

| | Today 4:00 | Prev. cons. |
|---|---|---|
| NYSE | 485.78 | 576.31 |
| Amex | 25.96 | 27.20 |
| Nasdaq | 608.07 | 629.50 |

*In millions.*

### Dividends

| Company | Per | Amt | Rec | Pay |
|---|---|---|---|---|
| **IRREGULAR** | | | | |
| Alliance Cap Mng | - | .59 | 2-25 | 3-4 |
| Cdn Natl Railway | - | .23 | 3-7 | 3-26 |
| Imperial Chem Ind | b | .5892 | 3-7 | 4-28 |
| **STOCK SPLIT** | | | | |
| Andrew Corp 3 for 2 split. | | | | |
| Gulfmark Intl 2 for 1 split. | | | | |
| Prima Energy 3 for 2 split. | | | | |
| Symbol Tech 3 for 2 split. | | | | |
| **STOCK** | | | | |
| Flamemaster Corp | - | 3% | 4-1 | 4-17 |
| **INCREASED** | | | | |
| Beckman Instrum | Q | .15 | 2-21 | 3-13 |
| GreenPoint Fin | Q | .25 | 2-21 | 3-5 |
| Hannaford Bros | Q | .135 | 3-14 | 3-27 |
| Hickory Tech | Q | .30 | 2-15 | 3-5 |
| Life Re | Q | .13 | 3-5 | 3-26 |
| PartnerRe Hld | Q | .18 | 2-21 | 3-3 |
| Security-Conn | Q | .14 | 4-10 | 4-30 |
| **REDUCED** | | | | |
| Senior Hi Inco Pt | M | .073 | 2-20 | 2-28 |
| **INITIAL** | | | | |
| Symbol Tech n | - | .03 | 3-10 | 4-1 |
| **REGULAR** | | | | |
| Am Fin Enterprise | Q | .10 | 2-21 | 3-6 |
| Apex Muni Fd | M | .054 | 2-20 | 2-27 |
| Chesapeake Cp | Q | .20 | 4-14 | 5-15 |
| Cinn Milacron | Q | .09 | 2-28 | 3-12 |
| Cooper Tire | Q | .085 | 3-10 | 3-31 |
| Corporate Hi Yld | M | .1386 | 2-20 | 2-28 |
| Corporate Hi III | M | .114 | 2-20 | 2-28 |
| Daniel Ind | Q | .045 | 3-3 | 3-24 |
| Delchamps Inc | Q | .11 | 2-12 | 2-26 |
| Dole Food | Q | .10 | 2-27 | 3-13 |
| Donaldson Inc g | Q | .035 | 3-4 | 4-1 |
| Enserch Corp | Q | .05 | 2-21 | 3-3 |
| Gt Lakes Chem | Q | .15 | 4-1 | 4-29 |
| Intl Flavors | Q | .36 | 3-25 | 4-11 |
| Intl Paper | Q | .25 | 2-21 | 3-14 |
| Noma Indust A g | Q | .03 | 2-21 | 2-28 |
| Noma Indust B g | Q | .028 | 2-21 | 2-28 |
| Owens Corning | Q | .0625 | 3-31 | 4-15 |
| Precision Cast | Q | .06 | 3-7 | 4-7 |
| Scripps, EW A | Q | .13 | 2-24 | 3-10 |
| SBarn Telecom | M | .71 | 3-25 | 3-27 |
| Teleflex Inc | Q | .175 | 2-25 | 3-14 |
| Tidewater Inc | Q | .15 | 2-20 | 3-3 |
| United Cities | Q | .255 | 2-28 | 3-14 |
| Western Natl | Q | .04 | 2-18 | 3-3 |
| Wilshire Oil TX | S | .05 | 4-2 | 4-23 |
| Worldwd Dlr Vest | M | .1293 | 2-20 | 2-28 |

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

### Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

## INTERNATIONAL FUTURES

**Feb. 11, 1997**

#### Grains

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **CORN (CBOT)** 5,000 bu minimum- cents per bushel | | | | | |
| Mar 97 | 272¾ | 271 | 272½ | +½ | 107,886 |
| May 97 | 271¾ | 270 | 271¼ | +¼ | 82,597 |
| Jul 97 | 270 | 268½ | 269¾ | +½ | 70,362 |
| Sep 97 | 266¾ | 265¾ | 266¾ | +1 | 10,594 |
| Dec 97 | 268¾ | 265½ | 268 | +¾ | 46,253 |
| Est. sales N.A. Mon's. sales 34,329 | | | | | |
| Mon's open int 324,103 up 374 | | | | | |
| **SOYBEAN MEAL (CBOT)** 100 tons- dollars per ton | | | | | |
| Mar 97 | 242.50 | 236.60 | 242.10 | +5.40 | 31,898 |
| May 97 | 236.50 | 231.30 | 236.20 | +4.90 | 23,864 |
| Jul 97 | 234.50 | 229.50 | 234.20 | +4.60 | 20,865 |
| Aug 97 | 232.50 | 227.30 | 231.70 | +4.70 | 3,836 |
| Sep 97 | 227.50 | 222.80 | 227.50 | +4.50 | 2,916 |
| Oct 97 | 218.50 | 215.50 | 218.60 | +3.30 | 1,090 |
| Est. sales N.A. Mon's. sales 10,051 | | | | | |
| Mon's open int 87,434 off 456 | | | | | |
| **SOYBEAN OIL (CBOT)** 60,000 lbs- cents per lb | | | | | |
| Mar 97 | 23.94 | 23.77 | 23.93 | +0.06 | 37,072 |
| May 97 | 24.29 | 24.15 | 24.27 | +0.04 | 22,530 |
| Jul 97 | 24.65 | 24.52 | 24.64 | +0.02 | 16,121 |
| Aug 97 | 24.80 | 24.68 | 24.77 | +0.02 | 3,223 |
| Sep 97 | 24.93 | 24.85 | 24.90 | +0.04 | 2,613 |
| Oct 97 | 25.05 | 25.00 | 25.05 | +0.04 | 853 |
| Est. sales N.A. Mon's. sales 8,351 | | | | | |
| Mon's open int 88,086 up 252 | | | | | |
| **SOYBEANS (CBOT)** 5,000 bu minimum- cents per bushel | | | | | |
| Mar 97 | 751 | 738 | 749¾ | +9¾ | 66,308 |
| May 97 | 749¾ | 737 | 748½ | +10 | 40,574 |
| Jul 97 | 749 | 738 | 748 | +9 | 35,758 |
| Aug 97 | 743 | 734½ | 743 | +7 | 5,489 |
| Sep 97 | 716 | 711 | 715¼ | +4¼ | 1,854 |
| Est. sales N.A. Mon's. sales 27,809 | | | | | |
| Mon's open int 168,772 up 41 | | | | | |
| **WHEAT (CBOT)** 5,000 bu minimum- cents per bushel | | | | | |
| Mar 97 | 363 | 351 | 362 | +9½ | 25,674 |
| May 97 | 360½ | 350½ | 358½ | +8 | 13,884 |
| Jul 97 | 345 | 339 | 344¾ | +5¼ | 26,192 |
| Sep 97 | 350 | 343 | 348½ | +5¼ | 2,152 |
| Est. sales N.A. Mon's. sales 14,977 | | | | | |
| Mon's open int 70,125 up 991 | | | | | |

#### Livestock

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **CATTLE (CMER)** 40,000 lbs.- cents per lb. | | | | | |
| Apr 97 | 65.97 | 65.45 | 65.65 | +0.27 | 43,145 |
| Jun 97 | 63.97 | 63.45 | 63.65 | +0.22 | 17,036 |
| Aug 97 | 63.77 | 63.40 | 63.42 | +0.10 | 17,741 |
| Oct 97 | 66.85 | 66.55 | 66.67 | +0.10 | 11,046 |
| Dec 97 | 68.80 | 68.60 | 68.65 | +0.12 | 4,193 |
| Feb 98 | 70.10 | 69.90 | 70.00 | +0.17 | 2,114 |
| Est. sales N.A. Mon's. sales 20,457 | | | | | |
| Mon's open int 102,982 off 2973 | | | | | |
| **FEEDER CATTLE (CMER)** 50,000 lbs.- cents per lb. | | | | | |
| Mar 97 | 67.95 | 67.35 | 67.57 | +0.22 | 6,267 |
| Apr 97 | 68.47 | 68.10 | 68.35 | +0.25 | 3,298 |
| May 97 | 69.60 | 69.28 | 69.47 | +0.42 | 4,867 |
| Aug 97 | 73.05 | 72.42 | 72.80 | +0.37 | 4,195 |
| Sep 97 | 73.60 | 72.85 | 73.22 | +0.47 | 1,489 |
| Oct 97 | 74.05 | 73.50 | 73.82 | +0.42 | 1,834 |
| Est. sales N.A. Mon's. sales 4,198 | | | | | |
| Mon's open int 22,535 off 970 | | | | | |
| **HOGS-Lean (CMER)** 40,000 lbs.- cents per lb. | | | | | |
| Apr 97 | 73.95 | 73.05 | 73.85 | +0.55 | 15,624 |
| Jun 97 | 78.95 | 78.05 | 78.90 | +0.47 | 8,356 |
| Jul 97 | 77.08 | 76.12 | 76.77 | +0.27 | 1,895 |
| Aug 97 | 73.80 | 73.22 | 73.70 | +0.05 | 2,145 |
| Oct 97 | 67.10 | 66.67 | 67.00 | —0.02 | 1,384 |
| Dec 97 | 65.15 | 64.70 | 64.95 | —0.10 | 797 |
| Est. sales N.A. Mon's. sales 7,356 | | | | | |
| Mon's open int 34,801 up 1198 | | | | | |
| **PORK BELLIES (CMER)** 40,000 lbs.- cents per lb. | | | | | |
| Feb 97 | 76.50 | 75.57 | 76.22 | +0.07 | 1,402 |
| Mar 97 | 75.90 | 74.90 | 75.75 | +0.55 | 2,447 |
| May 97 | 76.60 | 75.70 | 76.10 | —0.05 | 3,241 |
| Jul 97 | 76.15 | 75.30 | 75.95 | —0.25 | 647 |
| Aug 97 | 73.70 | 73.02 | 73.02 | —0.25 | 502 |
| Est. sales N.A. Mon's. sales 3,370 | | | | | |
| Mon's open int 8,239 off 217 | | | | | |

#### Food

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **COCOA (NCSE)** 10 metric tons- $ per ton | | | | | |
| Mar 97 | 1265 | 1242 | 1244 | —22 | 11,365 |
| May 97 | 1299 | 1281 | 1282 | —21 | 29,703 |
| Jul 97 | 1328 | 1310 | 1312 | —23 | 15,475 |
| Sep 97 | 1359 | 1337 | 1337 | —23 | 9,520 |
| Dec 97 | 1375 | 1367 | 1367 | —17 | 5,086 |
| Est. sales 7,547 Mon's. sales 8,630 | | | | | |
| Mon's open int 89,263 off 1029 | | | | | |
| **COFFEE C (NCSE)** 37,500 lbs.- cents per lb. | | | | | |
| Mar 97 | 166.50 | 157.50 | 163.55 | +4.90 | 17,451 |
| May 97 | 159.25 | 153.00 | 157.55 | +3.10 | 14,665 |
| Jul 97 | 155.25 | 150.00 | 153.05 | +3.55 | 3,574 |
| Sep 97 | 158.00 | 146.00 | 148.20 | +2.80 | 3,345 |
| Est. sales 14,050 Mon's. sales 14,670 | | | | | |
| Mon's open int 44,039 off 1431 | | | | | |
| **SUGAR-WORLD 11 (NCSE)** 112,000 lbs.- cents per lb. | | | | | |
| Mar 97 | 10.65 | 10.47 | 10.63 | +0.12 | 58,372 |
| May 97 | 10.70 | 10.48 | 10.68 | +0.15 | 58,604 |
| Jul 97 | 10.57 | 10.35 | 10.53 | +0.15 | 27,988 |
| Oct 97 | 10.50 | 10.33 | 10.47 | +0.13 | 19,552 |
| Est. sales 23,914 Mon's. sales 14,622 | | | | | |
| Mon's open int 147,309 off 830 | | | | | |
| **ORANGE JUICE (NCTN)** 15,000 lbs.- cents per lb. | | | | | |
| Mar 97 | 81.80 | 78.00 | 79.90 | —0.75 | 18,560 |
| May 97 | 84.40 | 81.20 | 83.15 | —0.75 | 8,158 |
| Jul 97 | 87.50 | 85.50 | 86.40 | —0.65 | 3,411 |
| Sep 97 | 90.10 | 89.10 | 89.40 | —0.70 | 2,283 |
| Est. sales N.A. Mon's. sales 5,051 | | | | | |
| Mon's open int 25,329 off 1770 | | | | | |

#### Metals

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **GOLD (NCMX)** 100 troy oz.- dollars per troy oz. | | | | | |
| Feb 97 | 341.50 | 340.10 | 341.30 | —1.20 | 3,481 |
| Mar 97 | | | 341.30 | —1.20 | 65 |
| Apr 97 | 343.40 | 340.30 | 341.90 | —1.20 | 98,998 |
| Jun 97 | 345.80 | 342.30 | 344.00 | —1.30 | 23,604 |
| Aug 97 | 346.40 | 345.00 | 346.40 | —1.30 | 9,565 |
| Oct 97 | 349.50 | 347.30 | 348.80 | —1.40 | 3,500 |
| Dec 97 | 351.20 | 350.00 | 351.20 | —1.50 | 18,583 |
| Feb 98 | 354.00 | 353.60 | 353.60 | —1.50 | 3,159 |
| Est. sales N.A. Mon's. sales 16,680 | | | | | |
| Mon's open int 194,933 off 1674 | | | | | |
| **HI GRADE COPPER (NCMX)** 25,000 lbs.- cents per lb. | | | | | |
| Feb 97 | 108.50 | 106.50 | 107.20 | —1.30 | 1,979 |
| Mar 97 | 107.60 | 105.00 | 106.00 | —1.15 | 24,370 |
| Apr 97 | 104.80 | 102.70 | 103.80 | —1.30 | 1,490 |
| May 97 | 103.50 | 101.30 | 102.20 | —1.10 | 7,685 |
| Jun 97 | 102.40 | 101.50 | 101.50 | —0.80 | 861 |
| Jul 97 | 101.90 | 100.50 | 100.50 | —1.00 | 4,671 |
| Aug 97 | | | 99.70 | —1.00 | 615 |
| Sep 97 | 99.00 | 98.90 | 98.90 | —1.00 | 2,424 |
| Oct 97 | | | 98.15 | —0.90 | 584 |
| Est. sales N.A. Mon's. sales 4,280 | | | | | |
| Mon's open int 53,576 off 298 | | | | | |
| **SILVER (NCMX)** 5,000 troy oz.- cents per troy oz. | | | | | |
| Feb 97 | | | 482.50 | —12.20 | 8 |
| Mar 97 | 496.00 | 480.00 | 483.80 | —12.20 | 55,559 |
| Apr 97 | | | 484.10 | —12.20 | 2 |
| May 97 | 500.00 | 485.00 | 488.40 | —12.20 | 14,657 |
| Jul 97 | 504.00 | 490.00 | 493.00 | —12.30 | 9,184 |
| Sep 97 | 508.00 | 497.50 | 497.50 | —12.30 | 3,026 |
| Dec 97 | 514.00 | 504.00 | 504.40 | —12.40 | 5,174 |
| Jan 98 | | | 507.20 | —12.50 | 9 |
| Est. sales N.A. Mon's. sales 9,914 | | | | | |
| Mon's open int 92,015 off 44 | | | | | |
| **PLATINUM (NMER)** 50 troy oz.- dollars per troy oz. | | | | | |
| Apr 97 | 360.30 | 357.00 | 358.80 | —0.70 | 20,346 |
| Jul 97 | 360.80 | 359.50 | 360.80 | —0.70 | 3,335 |
| Oct 97 | 363.50 | 361.50 | 362.90 | —0.70 | 2,373 |
| Jan 98 | | | 365.20 | —0.70 | 1,110 |
| Est. sales N.A. Mon's. sales 3,453 | | | | | |
| Mon's open int 27,164 up 132 | | | | | |

**LONDON METALS (LME)**
Dollars per metric ton

| | Close | | Previous | |
|---|---|---|---|---|
| **Aluminum (High Grade)** | | | | |
| Spot | 1525½ | 1526½ | 1555.00 | 1556.00 |
| Forward | 1559.00 | 1560.00 | 1587.00 | 1588.00 |
| **Copper Cathodes (High Grade)** | | | | |
| Spot | 2365.00 | 2370.00 | 2407.00 | 2412.00 |
| Forward | 2220.00 | 2222.00 | 2229.00 | 2230.00 |
| **Lead** | | | | |
| Spot | 639½ | 640½ | 649.00 | 650.00 |
| Forward | 649.00 | 650.00 | 659.00 | 660.00 |
| **Nickel** | | | | |
| Spot | 7700.00 | 7710.00 | 7700.00 | 7710.00 |
| Forward | 7790.00 | 7800.00 | 7790.00 | 7800.00 |
| **Tin** | | | | |
| Spot | 5830.00 | 5840.00 | 5820.00 | 5830.00 |
| Forward | 5905.00 | 5910.00 | 5890.00 | 5900.00 |
| **Zinc (Special High Grade)** | | | | |
| Spot | 1154½ | 1155½ | 1156½ | 1158½ |
| Forward | 1175.00 | 1176.00 | 1176.00 | 1178.00 |

#### Financial

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **US T. BILLS (CMER)** $1 million- pts of 100 pct. | | | | | |
| Mar 97 | 94.99 | 94.98 | 94.98 | | 4,977 |
| Jun 97 | 94.90 | 94.89 | 94.89 | | 3,338 |
| Sep 97 | | | 94.75 | | 881 |
| Dec 97 | | | 94.48 | —0.27 | 847 |
| Est. sales N.A. Mon's. sales 810 | | | | | |
| Mon's open int 9,216 up 78 | | | | | |
| **5 YR. TREASURY (CBOT)** $100,000 prin- pts & 64ths of 100 pct | | | | | |
| Mar 97 | 106-63 | 106-55 | 106-58 | —02 | 185,178 |
| Jun 97 | 106-44 | 106-41 | 106-43 | —01 | 12,870 |
| Sep 97 | | | 106-27 | —01 | |
| Est. sales N.A. Mon's. sales 19,349 | | | | | |
| Mon's open int 198,048 up 1268 | | | | | |
| **10 YR. TREASURY (CBOT)** $100,000 prin- pts & 32nds of 100 pct | | | | | |
| Mar 97 | 109-21 | 109-14 | 109-16 | —01 | 311,238 |
| Jun 97 | 109-02 | 108-28 | 108-29 | —01 | 35,092 |
| Sep 97 | 108-15 | 108-13 | 108-13 | | 1,712 |
| Est. sales N.A. Mon's. sales 47,428 | | | | | |
| Mon's open int 348,042 off 1948 | | | | | |
| **US TREASURY BONDS (CBOT)** (8 pct-$100,000-pts & 32nds of 100 pct) | | | | | |
| Mar 97 | 112-22 | 112-12 | 112-15 | | 473,448 |
| Jun 97 | 112-06 | 111-28 | 111-31 | —01 | 48,909 |
| Sep 97 | 111-20 | 111-17 | 111-17 | —01 | 10,614 |
| Dec 97 | | | 111-04 | —01 | 3,963 |
| Est. sales N.A. Mon's. sales 160,561 | | | | | |
| Mon's open int 528,992 off 6573 | | | | | |
| **GERMAN GOVERNMENT BUND (LIFFE)** DM250,000 - pts of 100 pct | | | | | |
| Mar97 | 102.82 | 102.75 | 102.91 | + 0.25 | 235,083 |
| Jun97 | 102.08 | 101.97 | 102.02 | + 0.24 | 12,123 |
| Est. sales: 157,300. Prev. sales: 182,286 | | | | | |
| Prev. open int.: 248,204 off 3,166 | | | | | |
| **LONG GILT (LIFFE)** £50,000 - pts & 32nds of 100 pct | | | | | |
| Mar97 | 113-15 | 112-30 | 113-10 | + 0-13 | 195,006 |
| Jun97 | 112-24 | 112-24 | 112-27 | + 0-13 | 6,064 |
| Est. sales: 58,386. Prev. sales: 58,884 | | | | | |
| Prev. open int.: 201,070 up 3,216 | | | | | |
| **10-YEAR FRENCH GOV. BONDS (MATIF)** FF500,000 - pts of 100 pct | | | | | |
| Mar 97 | 131.50 | 131.16 | 131.46 | +0.18 | 141,777 |
| Jun 97 | 130.12 | 129.92 | 130.16 | +0.18 | 14,597 |
| Sep 97 | 128.28 | 128.28 | 128.48 | +0.16 | 876 |
| Dec 97 | N.T. | N.T. | 97.76 | +0.18 | 0 |
| Est. volume: 59,966. Open int.: 157,250 up 4,268. | | | | | |
| **ITALIAN GOVERNMENT BOND (LIFFE)** ITL 200 million - pts of 100 pct | | | | | |
| Mar97 | 131.30 | 130.70 | 130.82 | — 0.26 | 105,500 |
| Jun97 | 130.70 | 130.20 | 130.32 | — 0.26 | 13,582 |
| Sep97 | N.T. | N.T. | 130.30 | — 0.26 | 600 |
| Est. sales: 62,431. Prev. sales: 42,441 | | | | | |
| Prev. open int.: 119,682 off 960 | | | | | |
| **EURODOLLARS (CMER)** $1 million-pts of 100 pct. | | | | | |
| Feb 97 | 94.50 | 94.49 | 94.50 | +0.01 | 20,358 |
| Mar 97 | 94.48 | 94.46 | 94.47 | +0.01 | 402,730 |
| Apr 97 | 94.43 | 94.42 | 94.43 | +0.01 | 6,972 |
| Jun 97 | 94.37 | 94.34 | 94.36 | +0.01 | 378,576 |
| Sep 97 | 94.23 | 94.20 | 94.21 | —0.01 | 290,003 |
| Dec 97 | 94.05 | 94.02 | 94.04 | | 210,053 |
| Mar 98 | 93.95 | 93.93 | 93.93 | —0.01 | 180,575 |
| Jun 98 | 93.85 | 93.82 | 93.83 | —0.01 | 139,665 |
| Sep 98 | 93.77 | 93.73 | 93.75 | —0.01 | 103,438 |
| Dec 98 | 93.65 | 93.62 | 93.64 | | 81,594 |
| Mar 99 | 93.63 | 93.60 | 93.61 | —0.01 | 64,690 |
| Jun 99 | 93.57 | 93.54 | 93.55 | —0.01 | 66,354 |
| Sep 99 | 93.52 | 93.49 | 93.49 | —0.02 | 55,027 |
| Dec 99 | 93.43 | 93.40 | 93.40 | —0.02 | 46,082 |
| Est. sales N.A. Mon's. sales 170,517 | | | | | |
| Mon's open int 2,318,702 off 4158 | | | | | |
| **BRITISH POUND (CMER)** 62,500 pounds, $ per pound | | | | | |
| Mar 97 | 1.6440 | 1.6350 | 1.6352 | | 33,446 |
| Jun 97 | 1.6430 | 1.6316 | 1.6326 | | 2,333 |
| Sep 97 | | | 1.6346 | | 1,060 |
| Dec 97 | | | 1.6310 | | 8 |
| Est. sales N.A. Mon's. sales 8,673 | | | | | |
| Mon's open int 36,847 off 1224 | | | | | |
| **CANADIAN DOLLAR (CMER)** 100,000 dollars, $ per Cdn. dlr | | | | | |
| Mar 97 | .7405 | .7388 | .7400 | | 41,293 |
| Jun 97 | .7448 | .7433 | .7444 | | 8,646 |
| Sep 97 | .7484 | .7480 | .7480 | | 3,575 |
| Dec 97 | .7518 | .7510 | .7518 | | 495 |
| Est. sales N.A. Mon's. sales 8,114 | | | | | |
| Mon's open int 54,065 off 1139 | | | | | |
| **GERMAN MARK (CMER)** 125,000 marks, $ per mark | | | | | |
| Mar 97 | .6013 | .5960 | .5979 | | 89,004 |
| Jun 97 | .6049 | .6000 | .6015 | | 5,612 |
| Sep 97 | .6083 | .6066 | .6075 | | 2,330 |
| Dec 97 | | | .6167 | | 20 |
| Est. sales N.A. Mon's. sales 45,744 | | | | | |
| Mon's open int 96,956 up 2675 | | | | | |
| **JAPANESE YEN (CMER)** 12.5 million yen, $ per 100 yen | | | | | |
| Mar 97 | .8200 | .8151 | .8164 | | 81,065 |
| Jun 97 | .8300 | .8255 | .8265 | | 3,519 |
| Sep 97 | | | .8406 | | 661 |
| Est. sales N.A. Mon's. sales 36,584 | | | | | |
| Mon's open int 85,373 off 4121 | | | | | |
| **SWISS FRANC (CMER)** 125,000 francs, $ per franc | | | | | |
| Mar 97 | .7045 | .6965 | .6989 | | 46,048 |
| Jun 97 | .7080 | .7038 | .7053 | | 2,918 |
| Sep 97 | | | .7173 | | 1,922 |
| Est. sales N.A. Mon's. sales 19,582 | | | | | |
| Mon's open int 50,901 off 3167 | | | | | |
| **3-MONTH EUROMARK (LIFFE)** DM1 million - pts of 100 pct | | | | | |
| Feb97 | 96.88 | 96.86 | 96.87 | — 0.01 | 3,199 |
| Mar97 | 96.90 | 96.89 | 96.90 | + 0.01 | 203,445 |
| Apr97 | 96.90 | 96.90 | 96.90 | + 0.01 | 3,529 |
| Jun97 | 96.92 | 96.89 | 96.90 | + 0.01 | 170,637 |
| Sep97 | 96.85 | 96.82 | 96.84 | + 0.02 | 148,359 |
| Dec97 | 96.70 | 96.67 | 96.69 | + 0.03 | 162,199 |
| Mar98 | 96.54 | 96.50 | 96.53 | + 0.04 | 118,025 |
| Jun98 | 96.34 | 96.30 | 96.33 | + 0.04 | 104,255 |
| Sep98 | 96.11 | 96.08 | 96.10 | + 0.04 | 77,168 |
| Dec98 | 95.85 | 95.80 | 95.85 | + 0.05 | 66,516 |
| Mar99 | 95.60 | 95.59 | 95.60 | + 0.04 | 45,849 |
| Jun99 | 95.36 | 95.33 | 95.35 | + 0.04 | 25,338 |
| Sep99 | 95.09 | 95.08 | 95.09 | + 0.04 | 20,461 |
| Dec99 | 94.84 | 94.82 | 94.84 | + 0.04 | 17,031 |
| Est. sales: 110,776. Prev. sales: 62,540 | | | | | |
| Prev. open int.: 1,172,256 off 6,385 | | | | | |
| **3-MONTH STERLING (LIFFE)** £500,000 - pts of 100 pct | | | | | |
| Mar97 | 93.72 | 93.69 | 93.71 | + 0.01 | 103,045 |
| Jun97 | 93.49 | 93.44 | 93.47 | Unch. | 114,294 |
| Sep97 | 93.30 | 93.25 | 93.28 | Unch. | 78,487 |
| Dec97 | 93.15 | 93.09 | 93.14 | + 0.01 | 51,715 |
| Mar98 | 93.06 | 92.99 | 93.04 | + 0.02 | 38,107 |
| Jun98 | 92.98 | 92.92 | 92.97 | + 0.02 | 35,423 |
| Sep98 | 92.93 | 92.87 | 92.91 | + 0.02 | 22,193 |
| Dec98 | 92.88 | 92.82 | 92.87 | + 0.03 | 18,399 |
| Mar99 | 92.83 | 92.78 | 92.82 | + 0.02 | 8,822 |
| Jun99 | 92.78 | 92.72 | 92.77 | + 0.03 | 7,069 |
| Sep99 | 92.72 | 92.66 | 92.72 | + 0.05 | 6,981 |
| Dec99 | 92.68 | 92.62 | 92.68 | + 0.05 | 4,687 |
| Est. sales: 61,755. Prev. sales: 69,055 | | | | | |
| Prev. open int.: 489,232 up 4,947 | | | | | |
| **3-MONTH PIBOR (MATIF)** FF5 million - pts of 100 pct | | | | | |
| Mar 97 | 96.72 | 96.70 | 96.71 | +0.00 | 67,809 |
| Jun 97 | 96.75 | 96.73 | 96.75 | +0.01 | 50,806 |
| Sep 97 | 96.73 | 96.71 | 96.72 | +0.01 | 34,376 |
| Dec 97 | 96.65 | 96.63 | 96.64 | +0.01 | 32,173 |
| Mar 98 | 96.54 | 96.51 | 96.53 | +0.02 | 18,960 |
| Jun 98 | 96.40 | 96.36 | 96.38 | +0.02 | 17,140 |
| Sep 98 | 96.19 | 96.16 | 96.20 | +0.03 | 11,062 |
| Dec 98 | 95.97 | 95.93 | 95.97 | +0.04 | 10,474 |
| Mar 99 | 95.72 | 95.67 | 95.72 | +0.04 | 12,953 |
| Jun 99 | 95.46 | 95.45 | 95.47 | +0.03 | 6,130 |
| Sep 99 | 95.21 | 95.20 | 95.21 | +0.03 | 3,232 |
| Dec 99 | 94.96 | 94.96 | 94.98 | +0.04 | 1,844 |
| Est. volume: 23,877. Open int.: 268,959 off 538. | | | | | |
| **3-MONTH EUROLIRA (LIFFE)** ITL 1 million - pts of 100 pct | | | | | |
| Mar97 | 93.06 | 92.96 | 93.00 | — 0.02 | 95,642 |
| Jun97 | 93.64 | 93.52 | 93.57 | — 0.04 | 74,551 |
| Sep97 | 93.99 | 93.88 | 93.92 | — 0.04 | 45,822 |
| Dec97 | 94.17 | 94.08 | 94.11 | — 0.04 | 35,118 |
| Mar98 | 94.20 | 94.15 | 94.16 | — 0.04 | 15,944 |
| Jun98 | 94.19 | 94.15 | 94.15 | — 0.04 | 10,517 |
| Est. sales: 45,490. Prev. sales: 27,028 | | | | | |
| Prev. open int.: 279,295 up 501 | | | | | |

#### Industrials

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **COTTON 2 (NCTN)** 50,000 lbs.- cents per lb. | | | | | |
| Mar 97 | 74.40 | 73.40 | 73.85 | —0.41 | 17,782 |
| May 97 | 75.85 | 75.06 | 75.37 | —0.49 | 21,587 |
| Jul 97 | 76.85 | 76.20 | 76.35 | —0.52 | 9,079 |
| Oct 97 | 76.85 | 76.40 | 76.40 | —0.45 | 1,361 |
| Dec 97 | 76.95 | 76.30 | 76.58 | —0.45 | 12,623 |
| Mar 98 | 77.75 | 77.35 | 77.35 | —0.57 | 763 |
| Est. sales N.A. Mon's. sales 12,392 | | | | | |
| Mon's open int 63,342 off 804 | | | | | |
| **HEATING OIL (NMER)** 42,000 gal, cents per gal | | | | | |
| Mar 97 | 62.35 | 61.10 | 62.10 | +0.34 | 36,628 |
| Apr 97 | 60.10 | 59.00 | 59.80 | —0.08 | 19,889 |
| May 97 | 58.45 | 57.45 | 58.10 | —0.13 | 8,564 |
| Jun 97 | 57.45 | 56.70 | 57.05 | —0.18 | 7,163 |
| Jul 97 | 57.05 | 56.35 | 56.50 | —0.28 | 5,001 |
| Aug 97 | 57.35 | 56.70 | 57.10 | +0.02 | 3,487 |
| Sep 97 | 57.85 | 57.10 | 57.45 | —0.13 | 3,132 |
| Oct 97 | 58.30 | 57.75 | 58.08 | —0.08 | 1,984 |
| Nov 97 | 58.50 | 58.25 | 58.50 | —0.08 | 1,664 |
| Dec 97 | 58.95 | 58.75 | 58.95 | —0.13 | 4,944 |
| Est. sales N.A. Mon's. sales 46,085 | | | | | |
| Mon's open int 98,757 up 539 | | | | | |
| **LIGHT SWEET CRUDE (NMER)** 1,000 bbl.- dollars per bbl. | | | | | |
| Mar 97 | 22.62 | 22.25 | 22.48 | +0.02 | 62,905 |
| Apr 97 | 22.40 | 22.00 | 22.28 | +0.03 | 59,495 |
| May 97 | 22.10 | 21.75 | 21.96 | —0.02 | 34,419 |
| Jun 97 | 21.89 | 21.50 | 21.67 | —0.06 | 33,915 |
| Jul 97 | 21.55 | 21.27 | 21.40 | —0.09 | 16,905 |
| Aug 97 | 21.10 | 21.09 | 21.30 | —0.17 | 15,860 |
| Sep 97 | 21.15 | 20.85 | 20.90 | —0.15 | 16,483 |
| Oct 97 | 20.69 | 20.69 | 20.69 | —0.15 | 10,907 |
| Mar 98 | 20.18 | 20.09 | 20.09 | —0.10 | 2,211 |
| Est. sales N.A. Mon's. sales 139,622 | | | | | |
| Mon's open int 375,834 up 2084 | | | | | |
| **NATURAL GAS (NMER)** 10,000 mm btu's, $ per mm btu | | | | | |
| Mar 97 | 2.230 | 2.140 | 2.220 | | 31,516 |
| Apr 97 | 2.160 | 2.090 | 2.140 | | 20,757 |
| May 97 | 2.100 | 2.045 | 2.100 | | 14,385 |
| Jun 97 | 2.080 | 2.040 | 2.075 | | 9,613 |
| Jul 97 | 2.080 | 2.042 | 2.075 | | 9,133 |
| Aug 97 | 2.085 | 2.045 | 2.080 | | 7,640 |
| Sep 97 | 2.085 | 2.055 | 2.085 | | 6,522 |
| Est. sales N.A. Mon's. sales 30,773 | | | | | |
| Mon's open int 159,811 up 276 | | | | | |
| **UNLEADED GASOLINE (NMER)** 42,000 gal, cents per gal | | | | | |
| Mar 97 | 64.40 | 63.15 | 64.30 | +0.77 | 29,040 |
| Apr 97 | 66.20 | 65.40 | 66.15 | +0.49 | 28,601 |
| May 97 | 66.00 | 65.30 | 65.85 | +0.34 | 13,374 |
| Jun 97 | 65.00 | 64.35 | 64.90 | +0.29 | 7,945 |
| Jul 97 | 63.50 | 63.10 | 63.20 | —0.01 | 4,608 |
| Aug 97 | 61.80 | 61.75 | 61.80 | +0.59 | 4,039 |
| Est. sales N.A. Mon's. sales 37,402 | | | | | |
| Mon's open int 81,211 up 1477 | | | | | |
| **GASOIL (IPE)** U.S. dollars per metric ton - lots of 100 tons | | | | | |
| Feb 97 | 194.00 | 191.25 | 192.50 | —11.50 | 13,072 |
| Mar 97 | 184.75 | 182.25 | 182.75 | —14.00 | 17,891 |
| Apr 97 | 182.00 | 179.25 | 180.00 | —11.75 | 8,623 |
| May 97 | 179.25 | 177.00 | 178.00 | —8.75 | 4,086 |
| Jun 97 | 179.25 | 179.25 | 178.25 | —7.50 | 8,225 |
| Jul 97 | 179.50 | 179.25 | 178.25 | —6.75 | 2,971 |
| Aug 97 | 179.75 | 179.00 | 179.00 | —6.00 | 1,401 |
| Sept 97 | 180.00 | 179.50 | 179.50 | —5.50 | 1,053 |
| Est. sales: 17,500. Open int.: 64,301 off 2,323 | | | | | |
| **BRENT OIL (IPE)** U.S. dollars per barrel - lots of 1,000 barrels | | | | | |
| Mar 97 | 21.38 | 21.05 | 21.14 | —1.33 | 29,836 |
| Apr 97 | 20.96 | 20.63 | 20.75 | —1.24 | 54,582 |
| May 97 | 20.59 | 20.32 | 20.43 | —1.01 | 21,990 |
| June 97 | 20.29 | 20.09 | 20.14 | —0.94 | 16,825 |
| July 97 | 19.93 | 19.87 | 19.90 | —0.85 | 12,422 |
| Aug 97 | 19.70 | 19.65 | 19.71 | —0.77 | 3,702 |
| Sep 97 | 19.51 | 19.51 | 19.54 | —0.69 | 5,489 |
| Oct 97 | 19.37 | 19.36 | 19.39 | —0.61 | 3,754 |
| Nov 97 | 19.30 | 19.25 | 19.26 | —0.52 | 2,384 |
| Est. sales: 39,972. Open int.: 156,468 off 1,061 | | | | | |

#### Stock Indexes

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **S&P COMP. INDEX (CMER)** 500 x index | | | | | |
| Mar 97 | 792.40 | 782.90 | 790.40 | +2.35 | 178,524 |
| Jun 97 | 799.20 | 790.50 | 797.90 | +2.50 | 10,984 |
| Sep 97 | 807.25 | 802.00 | 805.30 | +1.90 | 1,836 |
| Dec 97 | | | 810.00 | +1.85 | 1,576 |
| Est. sales N.A. Mon's. sales 69,291 | | | | | |
| Mon's open int 192,910 up 102 | | | | | |
| **FTSE 100 (LIFFE)** £25 per index point | | | | | |
| Mar97 | 4308.0 | 4301.0 | 4301.0 | — 6.0 | 58,378 |
| Jun97 | 4321.5 | 4319.5 | 4328.5 | — 5.5 | 5,536 |
| Sep97 | 4346.0 | 4345.0 | 4347.0 | — 6.0 | 1,861 |
| Est. sales: 9,028. Prev. sales: 8,676 | | | | | |
| Prev. open int.: 65,775 off 237 | | | | | |
| **CAC 40 (MATIF)** FF200 per index point | | | | | |
| Feb 97 | 2622.0 | 2592.0 | 2603.0 | +2.00 | 26,523 |
| Mar 97 | 2625.0 | 2598.0 | 2609.0 | +1.50 | 22,255 |
| Apr 97 | 2601.0 | 2601.0 | 2611.0 | +2.00 | 150 |
| Jun 97 | 2593.0 | 2593.0 | 2575.0 | +2.00 | 2,063 |
| Sep 97 | 2596.0 | 2596.0 | 2587.0 | +2.00 | 6,089 |
| Dec 97 | N.T. | N.T. | 2606.5 | +2.00 | 7,829 |
| Mar 98 | N.T. | N.T. | 2623.0 | +2.00 | 710 |
| Est. volume: 9,755. Open int.: 66,619 up 2,155. | | | | | |

#### Commodity Indexes

| | Close | Previous |
|---|---|---|
| Moody's | 1,485.20 | 1,484.40 |
| Reuters | 1,954.80 | 1,957.10 |
| D.J. Futures | 153.05 | 152.74 |
| CRB | 237.58 | 237.26 |

Stagecoach R

Reuters Shares
On Profit Outlo

WORLD STOCK MARK

Tuesday, Feb. 11

# Stagecoach Rides Railways to Market Success

By Erik Ipsen
*International Herald Tribune*

LONDON — Four years ago, Brian Souter and his sister, Ann Gloag, decided that there had to be more to life than running a big British bus company — so they took public the company they founded in 1980 with £12,000 ($19,700) from their father's severance check from his job as a bus conductor and plowed the proceeds into a wave of acquisitions.

Today, Stagecoach Holdings PLC still ranks among Britain's top bus operators, but now it is much more, too. In terms of sales, at £405 million in the six months ended in October, and operating profit, which reached £42 million, its old core business stands in the shadow of its vast new rail operations, and it now looks to the Continent for most of its future growth.

For Stagecoach, based in Perth, Scotland, and for its founders, the shift in direction has paid off. From £134 million at the time of its stock-market flotation in the spring of 1993, Stagecoach's market valuation has grown to £1.8 billion.

With more than a quarter of those shares still in the hands of Mr. Souter, 43, and his sister, who is managing director, prosperity has come to the family. Mrs. Gloag, for instance, now holds the keys to one of Scotland's largest castles as well as the position of second-richest woman in Britain, behind Queen Elizabeth II.

Stagecoach's chairman did not get to the top by quietly following in others' footsteps. Mr. Souter prefers windbreakers to suit coats and sneakers to wingtips, and he practices a brand of bare-knuckled competition aggressive enough to have earned him more than a score of investigations by authorities into alleged anti-competitive behavior. At times the hyperacquisitive — and debt-prone — Mr. Souter almost seems to court controversy.

According to Tim Kluczkowski, an analyst with the brokerage concern Granville Davies, reaction among investors has amounted to a reluctant embrace.

"They don't love the man," he said. "They don't love the businesses he is in. But they love the company's performance."

Mr. Souter made his first fortune by picking up pieces of the former nationalized bus industry at bargain prices when few others were interested and transforming the bus business. He made his second by repeating the process with parts of the old British Rail system. He hopes to make his next by repeating the process on the Continent.

In 1995 Stagecoach became the first group to seize the opportunity presented by the privatization of British Rail, buying the first and largest passenger-train franchise to be sold off, South West Trains. Last year it added to that with the £475 million acquisition of Porterbrook, the first of three big train-leasing companies sold by the government.

Last year, Stagecoach made its most important international acquisition to date, buying Swebus, the bus-company arm of the Swedish state railway, for 1.2 billion kronor ($164 million). Mr. Souter calls it "the most important deal of the year in terms of our company's long-range development" and promises more.

In a way, Mr. Souter now is a victim of his own success. His British bus lines outside London, for instance, have profit margins of 18 percent, nearly four times their margins before Stagecoach acquired them and far above the national average. Unfortunately, by demonstrating that long-shunned bus and rail companies can become major money-spinners, Mr. Souter has succeeded in driving up prices in the entire rail and bus industry in Britain, forcing him to set off for new markets.

Overseas, Mr. Souter hopes to find the two conditions that have made his fortune: companies that can be quickly turned around with better management, better scheduling and more capital investment; and places where, as in Britain in the old days, bidders are scarce and governments can be counted on to prime the privatization pump by making prices stunningly attractive.

In the British domestic market in the past year, Mr. Souter said, Stagecoach won none of the 20 rail franchises that followed South West Trains to the auction block. The reason, he said: his unwillingness to overpay.

Overseas, he said, he believes pressure is mounting for privatization of bus and rail systems. Several years ago, Stagecoach bought a privatized bus operator in New Zealand. It also owns bus companies in Kenya and Malawi that were purchased in 1990 for £1.1 million and posted operating profits last year of £4.5 million.

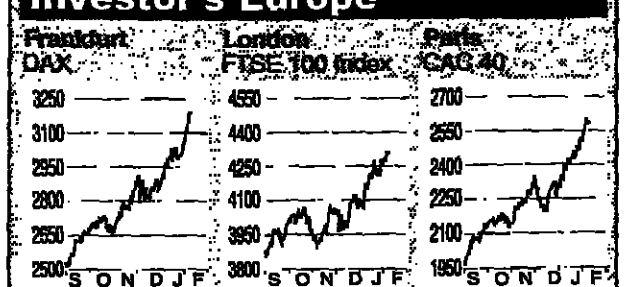
It is in Europe, though, that many analysts expect to see Stagecoach concentrate its firepower.

"Sweden was the first country in Europe other than Britain to bite the bullet and privatize, but it will not be the last," Richard Hannah, an analyst with UBS, said.

When other countries follow suit, Mr. Souter hopes to have learned enough about the more regulated Continental bus market from his Swebus experience to bid for and to run what the other governments have for sale.

Still, the push into less familiar terrain comes at a precarious juncture for Stagecoach. With debts equal to 562 percent of its assets, and with its share price having risen nearly seven times in less than three years on the expectation of continued giddy growth in profit, some analysts say Mr. Souter has no room for error.

## Investor's Europe




| Exchange | Index | Tuesday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Amsterdam | AEX | 698.72 | 695.04 | +0.53 |
| Brussels | BEL-20 | 2,080.94 | 2,088.58 | -0.37 |
| Frankfurt | DAX | 3,187.58 | 3,184.36 | +0.10 |
| Copenhagen | Stock Market | 528.07 | 530.29 | -0.42 |
| Helsinki | HEX General | 2,837.45 | 2,821.91 | +0.55 |
| Oslo | OBX | 577.27 | 581.99 | -0.81 |
| London | FTSE 100 | 4,304.30 | 4,307.70 | -0.08 |
| Madrid | Stock Exchange | 473.24 | 475.55 | -0.49 |
| Milan | MIBTEL | 12,575.00 | 12,680.00 | -0.83 |
| Paris | CAC 40 | 2,582.89 | 2,595.37 | -0.51 |
| Stockholm | SX 16 | 2,790.61 | 2,793.99 | -0.12 |
| Vienna | ATX | 1,200.23 | 1,201.96 | -0.14 |
| Zurich | SPI | 2,808.04 | 2,796.13 | +0.43 |

Source: Telekurs — International Herald Tribune

## Very briefly:

- **Ericsson AB**'s fourth-quarter pretax profit jumped 39 percent, to 246 million Swedish kronor ($33.5 million), surpassing most expectations, amid growing demand for mobile telephones and their networks.
- **General Electric Corp.**'s aircraft-engines unit will not build the engines for Airbus Industrie's planned stretched versions of its A340 plane, Airbus said.
- **British Petroleum PLC** said fourth-quarter profit rose 27 percent, to £689 million ($1.13 billion), as an improved refining business and the highest oil prices since the Gulf War helped offset weaker results in chemicals.
- **The United States** halted imports of Dutch pork products after an outbreak of swine fever in the Netherlands, the Dutch Agriculture Ministry said.
- **Schering AG**'s 1996 profit rose 46 percent, to 362 million Deutsche marks ($220 million), according to provisional data, on strong sales at foreign subsidiaries.
- **Alenia SpA** of Italy is expected to receive a stake in Airbus Industrie in exchange for assets.

*Bloomberg, Reuters, AFP, AFX, Bridge News*

# Reuters Shares Slide On Profit Outlook

*Compiled by Our Staff From Dispatches*

LONDON — Reuters Holdings PLC shares fell Tuesday as concerns about future earnings growth at the world's largest provider of financial information outweighed a 17 percent increase in annual profit.

The international news and information group reported a pretax profit of £701 million ($1.15 billion), up from £599 million a year ago. Sales rose 8 percent, to £2.91 billion, and the company paid a full-year dividend of 11.75 pence, compared with 9.80 pence.

Reuters stock tumbled 19 pence, to 625.

Reuters warned that changes in its price structure would make it difficult to improve the underlying revenue growth rate achieved in 1996.

"Foreign exchange is a problem," said Peter Job, the company's chief executive. "If the pound continues very strong, it does reduce our rate of growth considerably."

John Clarke, an analyst at Daiwa Institute of Research, said, "People have been worried about the growth prospects for Reuters for some time, including the impact of sterling."

Analysts said investors were also concerned that Reuters' earnings growth would be hit by lower revenues from its foreign-exchange dealing systems, increased costs associated with its Reuters 3000 product, and the failure of its Globex system to capture a large share of U.S. futures and options trading.

Reuters said Globex, an automated order-matching system built with the Chicago Mercantile Exchange and the MATIF futures exchange in France, was not likely to continue beyond 1998 because the original partners had developed their own systems.

The market was also disappointed by the absence of further news from Reuters on returning value to shareholders, dealers said. Reuters deferred a plan to return £613 million in cash to shareholders after the British government introduced measures to cut tax benefits linked to share buy-backs and some special dividend plans. The company said it was still considering how to return cash to shareholders.

Mr. Job said the company remained focused on returning surplus cash to shareholders, and did not want to be pressed into acquisitions. *(AFX, Bloomberg)*

# Cap Gemini's Profit Soared in 1996

*Compiled by Our Staff From Dispatches*

PARIS — Cap Gemini SA, Europe's biggest computer-services company, said Tuesday its 1996 earnings more than quadrupled, reflecting strong growth in new business and lower interest payments.

Net profit rose to 280 million French francs ($50 million) last year from 52 million francs in 1995, as revenue rose 31 percent, to 14.8 billion francs.

Cap Gemini said it generated more than 1 billion francs in new contracts last year. It forecast a 21.6 percent increase in sales this year, to 18 billion francs, as it benefits from buying Groupe Bossard, a French consulting company, and from increased cooperation between its computer-services and consulting activities.

The company also said it planned to increase its presence in the U.S. and Southeast Asian markets by expanding its own businesses.

"We're not reaching for our checkbook to go on an acquisition binge," said Geoff Unwin, the chief operating officer. Last year, the company opened an office in Singapore.

"Cap Gemini has everything it takes to become one of the top leaders in this industry," Nicolas de Smet, an analyst at HSBC James Capel, said.

Shares of Cap Gemini rose 14.20 francs to 310, their highest level in nearly five years.

"The preliminary results demonstrate that the dramatic turnaround in the group's financial situation continues," Pierre Hessler, chief executive of Cap Gemini's consulting unit, Gemini Consulting, said. *(Bloomberg, AFX)*

# GEORGE: *Despite Its Popularity, Respect Eludes Political Magazine of John Kennedy Jr.*

**Continued from Page 11**

ultimately prove incompatible goals for a mass market political magazine. "No one would be happier than me to have folks of all ilks say good things about the magazine," said Mr. Kennedy, in shirt-sleeves and suspenders at a recent interview in his 41st-floor office on Broadway. "But I would rather have a magazine that really broke new ground — that interested a different audience of people in politics — than gain acceptance within the Beltway."

Indeed, that was George's original mandate as defined by Mr. Kennedy, the magazine's editor in chief who, together with Michael Berman, the magazine's president, owns half of George in a company called Random Ventures. Hachette Filipacchi Magazines, a unit of Lagardere Group of France, owns the other half.

It was over dinner shortly after President Bill Clinton's first inauguration that Mr. Kennedy, 36, and Mr. Berman, 39, came up with the idea for "a consumer-oriented magazine about politics for a broad general audience that would be commercially viable," Mr. Kennedy said.

And by that measure, as well as those of the magazine industry, George is on its way to success. The magazine's current rate base of 400,000 — that is, paid circulation guaranteed to advertisers — exceeds its initial projections of 250,000 and puts the magazine well ahead of established political publications like The New Republic (circulation 101,000) and National Review (196,000).

David Pecker, Hachette's president and chief executive, said that while he had planned to invest $20 million to $25 million in George over the magazine's first five years and to achieve profitability by year five, he now predicted turning profitable by year four, if not before. "I think we hit a chord here — we hit a niche in the market where there was a void," Mr. Pecker said. "We're extremely satisfied with where the magazine is today."

And while advertisers' initial love affair with the magazine was expected to cool — the first two issues, which were sold as a package deal, each carried a hefty 175 pages of ads; they now average 75 — media buyers say they remain enthusiastic about the magazine, particularly because it is reaching a young, affluent, educated audience.

"It's hard not to be impressed with a magazine that has reached 400,000 circulation in such a short period of time," said Gene DeWitt, president of DeWitt Media, a media services agency. "The magazine has pretty strong legs. I think it's going to be around."

In bottom-line terms, then, Mr. Kennedy and his colleagues at George could be satisfied. But a magazine thrives on more than advertiser dollars; it needs buzz and wants respect. And, so far, George lacks for both.

"They don't have the quality of writing that a general interest magazine has and they don't have the sharp point of view that a political journal has," said Dee Dee Myers, who served as Mr. Clinton's press secretary and is now Vanity Fair's political editor. "So that contributes to the perception here of, 'Well what is it?'"

# WORLD STOCK MARKETS

**Tuesday, Feb. 11**
Prices in local currencies.
Telekurs

## Amsterdam
AEX index: 698.72 Previous: 695.04

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABN-AMRO | 127.20 | 126.10 | 126.70 | 126.50 |
| Aegon | 117.50 | 115.30 | 115.80 | 116.80 |
| Ahold | 118.70 | 116 | 118.10 | 116.70 |
| Akzo Nobel | 284.90 | 280.60 | 284.50 | 282.50 |
| Baan Co. | 88.30 | 84.80 | 87.30 | 86.30 |
| Bols Wess cva | 34.70 | 34 | 34.30 | 34.70 |
| CSM cva | 110 | 107.40 | 110.60 | 107.40 |
| Dordtsche Pet | 351 | 347.50 | 350 | 351.20 |
| DSM | 180.50 | 177.70 | 178.50 | 178.70 |
| Elsevier | 29.40 | 28.60 | 29 | 28.80 |
| Fortis Amev | 69.90 | 68.60 | 69.60 | 69.20 |
| Getronics | 57.20 | 55.60 | 57.20 | 55.70 |
| G-Broc cva | 59.60 | 58.40 | 59.10 | 59.50 |
| Hagemeyer | 149.90 | 148.60 | 149.40 | 148.50 |
| Heineken | 316.90 | 314 | 315.50 | 315.20 |
| Hoogovens cva | 77.40 | 76.10 | 77.40 | 75.30 |
| Hunt Douglas | 131.80 | 130 | 130.60 | 129.90 |
| ING Group | 71.40 | 70.70 | 71.20 | 71.10 |
| KLM | 54.90 | 52.60 | 54.10 | 54.60 |
| KNP BT | 40.60 | 39.10 | 40.40 | 39 |
| KPN | 67.20 | 66 | 66.50 | 67 |
| Nedlloyd Gp | 55 | 54.70 | 55 | 55.10 |
| Nutricia | 277.30 | 273 | 274 | 276.70 |
| Oce Grinten | 240 | 235 | 237.50 | 239.10 |
| Philips Elec | 74.10 | 72.90 | 73.60 | 74.70 |
| Polygram | 83.70 | 79.20 | 83.20 | 79.60 |
| Randstad Hdg | 136 | 134 | 134.50 | 135.50 |
| Robeco | 156.70 | 156 | 156.10 | 155.50 |
| Rodamco | 60.40 | 58.80 | 60.40 | 58.50 |
| Rolinco | 161.40 | 161.10 | 161.10 | 160.80 |
| Rorento | 109.10 | 109 | 109 | 108.70 |
| Royal Dutch | 331 | 327.50 | 330 | 330.70 |
| Unilever cva | 334.50 | 329.70 | 331.30 | 313.40 |
| Vendex Intl | 84.90 | 85.20 | 85.80 | 86.40 |
| VNU | 37.20 | 36.70 | 37.10 | 36.70 |
| Wolters Kl cva | 225 | 221.60 | 221.90 | 224.80 |

## Bangkok
SET index: 732.99 Previous: 737.22

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Adv Info Svc | 234 | 226 | 228 | 230 |
| Bangkok Bk F | 214 | 210 | 214 | 216 |
| Krung Thai Bk | 44.75 | 43.75 | 44.50 | 44.75 |
| PTT Explor | 330 | 320 | 330 | 324 |
| Siam Cement F | 716 | 688 | 712 | 716 |
| Siam Com Bk F | 159 | 155 | 158 | 156 |
| Telecomasia | 42.75 | 41.25 | 42 | 42.50 |
| Thai Airways | 37 | 36 | 37 | 36.50 |
| Thai Farm Bk F | 134 | 128 | 134 | 137 |
| Utd Comm | 155 | 150 | 153 | 156 |

## Bombay
Sensex 30 index: 3582.27 Previous: 3407.32

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bajaj Auto | 925 | 911 | 916.25 | 912.75 |
| Hindust Lever | 910 | 898 | 908.75 | 882.50 |
| Hindust Petro | 380 | 374.25 | 379.75 | 375.25 |
| Ind Dev Bk | 95 | 94 | 94.50 | 94 |
| ITC | 410.50 | 400 | 409 | 398 |
| Mahanagar Tel | 247 | 236.25 | 242.25 | 224 |
| Reliance Ind | 278 | 271.75 | 278 | 273.50 |
| State Bk India | 282.25 | 270 | 282.75 | 270 |
| Steel Authority | 22.50 | 22 | 22.25 | 21.75 |
| Tata Eng Loco | 334.50 | 319.75 | 333.25 | 317.25 |

## Brussels
BEL-20 index: 2080.94 Previous: 2088.58

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Almanij | 13600 | 12500 | 12600 | 12500 |
| Barco Ind | 5880 | 5820 | 5830 | 5800 |
| BBL | 7210 | 7170 | 7210 | 7200 |
| Bekaert | 19850 | 19600 | 19850 | 19600 |
| CBR | 3345 | 3275 | 3300 | 3345 |
| CNP | 2270 | 2250 | 2260 | 2240 |
| Cobepa | 1264 | 1254 | 1254 | 1252 |
| Cockerill | 117 | 114 | 116 | 117 |
| Colruyt | 15750 | 15325 | 15325 | 15250 |
| Delhaize Lion | 1995 | 1980 | 1990 | 1975 |
| Electrabel | 8020 | 7950 | 7990 | 8020 |
| Electrafina | 3250 | 3240 | 3250 | 3250 |
| Fortis AG | 5890 | 5800 | 5860 | 5880 |
| Gevaert | 2470 | 2365 | 2385 | 2435 |
| GIB | 1590 | 1570 | 1575 | 1590 |
| GBL | 4590 | 4575 | 4590 | 4565 |
| Gen Banque | 12400 | 12200 | 12325 | 12325 |
| Kredietbank | 11550 | 11450 | 11475 | 11500 |
| Petrofina | 11900 | 11825 | 11900 | 11900 |
| Powerfin | 4865 | 4840 | 4845 | 4855 |
| Royale Belge | 7820 | 7650 | 7650 | 7810 |
| Soc Gen Belg | 2725 | 2705 | 2715 | 2715 |
| Solvay | 21750 | 21300 | 21450 | 21950 |
| Tractebel | 14800 | 14750 | 14750 | 14825 |
| UCB | 94700 | 93200 | 94300 | 94500 |
| Union Miniere | 2540 | 2490 | 2515 | 2525 |

## Copenhagen
Stock index: 528.07 Previous: 530.29

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| BG Bank | 291 | 282 | 288.33 | 293 |
| Carlsberg B | 408 | 403 | 403 | 408 |
| Codan Fors | 980 | 970 | 972.50 | 981.22 |
| Danisco | 364 | 358 | 361 | 363 |
| Den Danske Bk | 365 | 352 | 354 | 363 |
| D/S Svendborg B | 264000 | 262000 | 262000 | 264000 |
| D/S 1912 B | 184184 | 182000 | 183000 | 184000 |
| FLS Ind B | 860.86 | 855 | 855 | 866 |
| Kob Lufthavn | 685 | 679 | 679 | 682.50 |
| Nvo Nordisk B | 600.60 | 590 | 590 | 600 |
| Sophus Ber B | 891.11 | 778.90 | 889 | 878 |
| Tele Danmk B | 376.53 | 361 | 364 | 366 |
| Tryg Baltica | 369 | 361 | 360 | 360 |
| Unidanmark A | 352 | 344 | 345 | 352 |

## Frankfurt
DAX: 3187.58 Previous: 3184.36

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AMB B | 975 | 975 | 975 | 990 |
| Adidas | 151.90 | 150.10 | 150.10 | 153 |
| Allianz Hdg | 3181 | 3155 | 3155 | 3174 |
| Altana | 1359 | 1326 | 1356 | 1329 |
| Bk Berlin | 33.48 | 32.55 | 33.45 | 33.45 |
| BASF | 63.25 | 62.60 | 63.04 | 62.94 |
| Bayer Hypo Bk | 52.27 | 51.72 | 51.80 | 52.40 |
| Bay.Vereinsbank | 62.90 | 61.90 | 62.68 | 62.15 |
| Bayer | 66.50 | 66.16 | 66.42 | 66.30 |
| Beiersdorf | 92 | 88.90 | 90.60 | 91.50 |
| BMW | 1127 | 1114 | 1123 | 1094 |
| Commerzbank | 43.50 | 43.05 | 43.30 | 43.30 |
| Daimler Benz | 123.50 | 122.60 | 123.30 | 121.80 |
| Degussa | 720 | 710 | 718 | 704 |
| Deutsche Bank | 84.60 | 83.95 | 84.10 | 85.15 |
| Deut Telekom | 32.65 | 32.47 | 32.58 | 32.70 |
| Dresdner Bank | 53.45 | 53.30 | 53.33 | 53.35 |
| Fresenius | 322 | 317 | 319 | 316 |
| Fresenius Med | 146.40 | 145.10 | 145.70 | 145.20 |
| Fried. Krupp | 263.50 | 260.20 | 260.60 | 264.50 |
| Gehe | 109.50 | 108.20 | 109.50 | 108.50 |
| Heidelbg Zmt | 141.50 | 139 | 141.50 | 140.50 |
| Henkel pfd | 87.70 | 86.50 | 87.70 | 88.40 |
| Hochtief | 73.20 | 72 | 72 | 70.80 |
| Hoechst | 75.40 | 74.50 | 74.75 | 74.15 |
| Karstadt | 529 | 524.50 | 527.50 | 525 |
| Linde | 1119 | 1106 | 1106 | 1115 |
| Lufthansa | 23.80 | 23.68 | 23.60 | 24.20 |
| MAN | 441.50 | 437 | 437.50 | 444 |
| Mannesmann | 698.50 | 692 | 694 | 692 |
| Metallgesellschaft | 33.38 | 33.10 | 33.15 | 33.40 |
| Metro | 133.50 | 130.68 | 131.38 | 134.20 |
| Munch Rueck R | 3908 | 3880 | 3900 | 3815 |
| Preussag | 418.50 | 408 | 413 | 418.50 |
| RWE | 73.60 | 73 | 73.68 | 71.95 |
| SAP pfd | 254.20 | 252.20 | 253 | 253.80 |
| Schering | 146.20 | 143.80 | 145.40 | 143.20 |
| Siemens | 87.04 | 86.35 | 86.60 | 87.02 |
| Thyssen | 325 | 321 | 321.50 | 327.50 |
| Veba | 92.65 | 92.10 | 92.30 | 92.50 |
| VEW | 502 | 498.50 | 502 | 499 |
| Viag | 713 | 707 | 707 | 715 |
| Volkswagen | 796.50 | 793 | 795.75 | 798 |

## Helsinki
HEX General index: 2837.45 Previous: 2821.91

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Cultor 1 | 289 | 285 | 289 | 285 |
| Enso A | 40.30 | 39.20 | 40.30 | 39.50 |
| Huhtamaki I | 224 | 218 | 219 | 224 |
| Kemira | 59 | 57 | 59 | 56.80 |
| Kesko | 71.60 | 70.10 | 70.50 | 71.60 |
| Merita A | 17.90 | 17.60 | 17.70 | 17.79 |
| Metra B | 283 | 280 | 280 | 282 |
| Metso-Serla B | 37.70 | 36.50 | 37.60 | 36.50 |
| Neste | 140 | 131 | 137 | 131 |
| Nokia A | 328 | 322 | 324 | 324.50 |
| Orion-Yhtymae | 177 | 173.10 | 176 | 172 |
| Outokumpu A | 77.50 | 76.30 | 76.50 | 77.50 |
| Rautaruukki | 43 | 42.20 | 42.20 | 42.50 |
| Sampo Insur | 425 | 422 | 425 | 426 |
| UPM Kymmene | 101 | 97.50 | 100.20 | 97.50 |
| Valmet | 90 | 89 | 89.50 | 89.30 |

## Hong Kong
Hang Seng: 13454.22 Previous: 13643.54

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amoy Props | 10.10 | 9.85 | 10 | 10.10 |
| Bk East Asia | 34.30 | 33.90 | 34 | 34.10 |
| Cathay Pacific | 12.10 | 11.80 | 12 | 12.05 |
| Cheung Kong | 75 | 73 | 73.75 | 74.25 |
| CK Infrastruct | 22.45 | 22 | 22 | 22.45 |
| China Light | 36.90 | 36.30 | 36.40 | 36.70 |
| China Overs Ld | 4.13 | 4 | 4 | 4.10 |
| China Res Ent | 16.40 | 16 | 16.05 | 16.45 |
| Chin Estates | 8.50 | 8.45 | 8.45 | 8.50 |
| Citic Pacific | 39.60 | 38.30 | 38.50 | 39.30 |
| Cosco Pacific | 9.45 | 9.20 | 9.20 | 9.30 |
| Dao Heng Bk | 39.30 | 38 | 39.10 | 39.10 |
| First Pacific | 11.15 | 10.90 | 11.05 | 10.90 |
| Great Eagle | 33.10 | 32.50 | 32.80 | 33.10 |
| Guangdong Inv | 7.30 | 6.80 | 6.90 | 7.25 |
| Guoco Group | 44.90 | 44.70 | 44.90 | 45 |
| Hang Lung Dev | 16 | 15.55 | 16 | 15.70 |
| Hang Seng Bk | 93 | 90.75 | 91.50 | 93.75 |
| Henderson Inv | 9.05 | 8.80 | 8.80 | 9.10 |
| Henderson Ld | 71.25 | 69.50 | 70 | 72 |
| HKR Intl | 11.80 | 11.25 | 11.35 | 11.85 |
| HK China Gas | 14.75 | 14.60 | 14.70 | 14.60 |
| HK Electric | 27.70 | 26.80 | 27.30 | 27.40 |
| HK Shang Htls | 14.15 | 13.60 | 13.75 | 14.25 |
| HK Telecomm | 13.70 | 13.50 | 13.55 | 13.75 |
| Hopewell Hldgs | 4.63 | 4.50 | 4.53 | 4.60 |
| HSBC Hdgs | 190 | 184.50 | 187 | 189.50 |
| Hutchison Wh | 59.25 | 58 | 59 | 58.75 |
| Hysan Dev | 28 | 27.20 | 27.35 | 28 |
| Johnson El Hdg | 22.55 | 22.40 | 23.50 | 23.40 |
| Kerry Props | 20.50 | 20.10 | 20.10 | 20.50 |
| Nan Mutual | 8 | 7.85 | 8 | 7.85 |
| New World Dev | 49.80 | 49.30 | 49.50 | 50 |
| N World Infrastr | 23.10 | 22.90 | 23 | 22.95 |
| Oriental Press | 2.83 | 2.75 | 2.78 | 2.75 |
| Pearl Oriental | 6.10 | 5.90 | 5.95 | 6 |
| Shanghai Indus | 27.80 | 27.60 | 27.60 | 27.60 |
| Shangri-La Asia | 11 | 10.90 | 10.90 | 11 |
| SHK Props | 90.50 | 87.50 | 88.25 | 91 |
| Shun Tak Hdgs | 5.75 | 5.50 | 5.60 | 5.75 |
| Sino Land Co. | 9.05 | 8.80 | 8.85 | 9.05 |
| Sth China Post | 4.30 | 4.20 | 4.25 | 4.30 |
| Swire Pac A | 69.75 | 68.25 | 68.50 | 70 |
| Tsim Sha Tsui | 22.40 | 21.95 | 21.95 | 21.95 |
| TV Broadcasts | 33.80 | 32.90 | 32.90 | 34 |
| Wharf Hdgs | 35.90 | 35.40 | 35.50 | 35.50 |
| Wheelock | 21.45 | 20.70 | 21.20 | 21.50 |

## Markets Closed

Stock markets in Jakarta, Kuala Lumpur, Sao Paulo and Tokyo were closed Tuesday for a holiday.

## Johannesburg
All Market: 6974.97 Previous: 6955.96

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amalgamtd Bks | 28.25 | 27.60 | 28.10 | 27.80 |
| AngloAm Coal | 310 | 309 | 310 | 312 |
| AngloAm-Corp | 268 | 263 | 268 | 263 |
| AngloAm Gold | 309.50 | 307 | 308 | 310 |
| AngloAm Ind | 180 | 178 | 179 | 179 |
| Barlow | 52 | 51.25 | 51.75 | 51.75 |
| C.G. Smith | 25.50 | 25.10 | 25.15 | 25.50 |
| De Beers | 149 | 147 | 149 | 147.50 |
| Driefontein | 44 | 43.20 | 43.75 | 42.50 |
| Fst Natl Bk | 27.85 | 27.25 | 27.45 | 27.50 |
| Gencor | 19.35 | 18.80 | 19.35 | 19.25 |
| GFSA | 115.50 | 115.25 | 115.25 | 115.50 |
| Iscor | 3.66 | 3.63 | 3.65 | 3.65 |
| Liberty Hdgs | 347 | 345 | 345 | 345 |
| Liberty Life | 131.50 | 130 | 130 | 130.50 |
| Minorco | 107.25 | 106.25 | 107 | 107 |
| Nampak | 20.30 | 20 | 20.15 | 20.10 |
| Nedcor | 80 | 79.25 | 79.75 | 80 |
| Rembrandt Gp | 48.50 | 47.60 | 47.60 | 48.50 |
| Richemont | 61.50 | 60.50 | 61.50 | 61.50 |
| Rust Platinum | 63.75 | 62 | 63.25 | 63.25 |
| SA Breweries | 134.75 | 131.50 | 133.75 | 132.50 |
| Samancor | 52.25 | 52.50 | 53 | 52.50 |
| Sasol | 52 | 51.50 | 52 | 52 |
| SBIC | 190 | 188.50 | 188.75 | 191.25 |
| Tiger Oats | 71.50 | 70.75 | 70.75 | 72 |

## London
FT-SE 100: 4304.30 Previous: 4307.70

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Abbey Natl | 7.90 | 7.78 | 7.83 | 7.79 |
| Allied Domecq | 4.23 | 4.14 | 4.18 | 4.17 |
| Anglian Water | 6.39 | 6.18 | 6.39 | 6.29 |
| Argos | 6.55 | 6.29 | 6.49 | 6.55 |
| Asda Group | 1.17 | 1.12 | 1.12 | 1.15 |
| Assoc Br Foods | 5 | 4.83 | 4.98 | 4.81 |
| BAA | 5.38 | 5.25 | 5.29 | 5.27 |
| Barclays | 11.92 | 11.26 | 11.77 | 11.76 |
| Bass | 8.62 | 8.45 | 8.57 | 8.46 |
| BAT Ind | 5.36 | 5.13 | 5.36 | 5.18 |
| Bank Scotland | 3.58 | 3.50 | 3.52 | 3.52 |
| Blue Circle | 4.16 | 4.03 | 4.16 | 4.03 |
| BOC Group | 9.49 | 9.38 | 9.45 | 9.40 |
| Boots | 7.02 | 6.92 | 6.99 | 6.93 |
| BPB Ind | 3.54 | 3.44 | 3.47 | 3.44 |
| Brit Aerosp | 12.55 | 12.22 | 12.30 | 12.56 |
| Brit Airways | 6 | 5.88 | 5.93 | 5.97 |
| BG | 2.46 | 2.37 | 2.38 | 2.43 |
| Brit Land | 5.37 | 5.19 | 5.24 | 5.24 |
| Brit Petro | 7.28 | 6.99 | 6.89 | 7.20 |
| BSkyB | 6.52 | 6.37 | 6.48 | 6.44 |
| Brit Steel | 1.43 | 1.39 | 1.42 | 1.40 |
| Brit Telecom | 4.49 | 4.34 | 4.39 | 4.35 |
| BTR | 2.52 | 2.47 | 2.49 | 2.50 |
| Burmah Castrol | 10.44 | 10.32 | 10.33 | 10.42 |
| Burton Gp | 1.48 | 1.46 | 1.48 | 1.49 |
| Cable Wireless | 4.97 | 4.81 | 4.92 | 4.82 |
| Cadbury Schw | 4.89 | 4.76 | 4.82 | 4.76 |
| Carlton Comm | 5.53 | 5.43 | 5.52 | 5.48 |
| Coml Union | 7.51 | 7.35 | 7.46 | 7.47 |
| Compass Gp | 7.14 | 7.06 | 7.14 | 7.05 |
| Courtaulds | 3.98 | 3.90 | 3.94 | 3.95 |
| Dixons | 4.96 | 4.93 | 4.95 | 4.94 |
| Electrocomponents | 4.52 | 4.16 | 4.27 | 4.50 |
| EMI Group | 11.45 | 10.83 | 11.25 | 11 |
| Enterprise Oil | 6.73 | 6.47 | 6.50 | 6.75 |
| Forte Colonial | 1.56 | 1.55 | 1.56 | 1.55 |
| Genl Accident | 8.74 | 8.63 | 8.66 | 8.71 |
| GEC | 3.96 | 3.87 | 3.93 | 3.89 |
| GKN | 9.85 | 9.79 | 9.81 | 9.85 |
| Glaxo Wellcome | 10.19 | 10 | 10.17 | 10.12 |
| Granada Gp | 8.97 | 8.90 | 8.91 | 8.93 |
| Grand Met | 4.47 | 4.43 | 4.46 | 4.44 |
| GRE | 3.01 | 2.93 | 2.96 | 2.96 |
| Greenalls Gp | 5.90 | 5.46 | 5.49 | 5.51 |
| Guinness | 4.38 | 4.29 | 4.36 | 4.30 |
| GUS | 6.35 | 6.23 | 6.23 | 6.33 |
| Hanson | 0.89 | 0.87 | 0.88 | 0.89 |
| Hays | 5.62 | 5.53 | 5.62 | 5.55 |
| HSBC Hdgs | 15.12 | 14.76 | 14.82 | 15.60 |
| ICI | 7.53 | 7.37 | 7.46 | 7.38 |
| Impl Tobacco | 4.08 | 4.05 | 4.08 | 4.09 |
| Kingfisher | 6.74 | 6.63 | 6.69 | 6.68 |
| Ladbroke | 2.35 | 2.30 | 2.34 | 2.30 |
| Land Sec | 8 | 7.88 | 7.93 | 7.95 |
| Lasmo | 2.57 | 2.41 | 2.41 | 2.53 |
| Legal Genl Grp | 4.16 | 4.02 | 4.12 | 4.03 |
| Lloyds TSB Gp | 4.98 | 4.88 | 4.92 | 4.92 |
| LucasVarity | 2.01 | 1.96 | 1.96 | 2 |
| Marks Spencer | 4.95 | 4.89 | 4.93 | 4.92 |
| MEPC | 4.70 | 4.66 | 4.69 | 4.69 |
| Mercury Asset | 13.86 | 13.60 | 13.66 | 13.81 |
| National Grid | 2.06 | 2.03 | 2.05 | 2.05 |
| Natl Power | 5.81 | 5 | 5.06 | 5.09 |
| NatWest | 8.34 | 8.26 | 8.29 | 8.31 |
| Next | 5.72 | 5.65 | 5.68 | 5.69 |
| Orange | 2.12 | 2.06 | 2.09 | 2.08 |
| P&O | 6.66 | 6.58 | 6.63 | 6.61 |
| Pearson | 7.52 | 7.43 | 7.45 | 7.54 |
| Pilkington | 1.39 | 1.34 | 1.38 | 1.42 |
| PowerGen | 6.52 | 6.28 | 6.39 | 6.49 |
| Premier Farnell | 5.53 | 5.35 | 5.40 | 5.53 |
| Prudential | 5.86 | 5.78 | 5.85 | 5.87 |
| Railtrack PP | 3.93 | 3.84 | 3.89 | 3.91 |
| Rank Group | 4.27 | 4.18 | 4.25 | 4.21 |
| Reckitt Colm | 7.32 | 7.15 | 7.28 | 7.08 |
| Redland | 3.42 | 3.34 | 3.38 | 3.37 |
| Reed Intl | 10.89 | 10.65 | 10.79 | 10.77 |
| Rentokil Initial | 4.88 | 4.75 | 4.79 | 4.75 |
| Reuters Hdgs | 6.62 | 6 | 6.25 | 6.44 |
| Rexam | 3.30 | 3.18 | 3.30 | 3.18 |
| RMC Group | 9.50 | 9.37 | 9.45 | 9.36 |
| Rolls Royce | 2.39 | 2.30 | 2.30 | 2.41 |
| Royal Bk Scot | 6.18 | 6.05 | 6.18 | 6.05 |
| RTZ reg | 9.15 | 9.07 | 9.10 | 9.14 |
| Royal & Sun All | 5.16 | 4.96 | 5.13 | 5.01 |
| Safeway | 3.59 | 3.46 | 3.50 | 3.57 |
| Sainsbury | 3.22 | 3.13 | 3.13 | 3.20 |
| Schroders | 17.55 | 17.40 | 17.55 | 17.70 |
| Scot Newcastle | 6.83 | 6.74 | 6.80 | 6.74 |
| Scot Power | 3.73 | 3.60 | 3.62 | 3.72 |
| Securicor | 2.99 | 2.96 | 2.98 | 3 |
| Severn Trent | 7.27 | 7.17 | 7.17 | 7.29 |
| Shell Transp R | 10.78 | 10.46 | 10.54 | 10.66 |
| Siebe | 9.95 | 9.85 | 9.93 | 9.93 |
| Smith Nephew | 1.81 | 1.79 | 1.80 | 1.80 |
| SmithKline | 8.63 | 8.48 | 8.58 | 8.51 |
| Smiths Ind | 7.68 | 7.55 | 7.64 | 7.68 |
| Sthern Elec | 7.73 | 7.60 | 7.65 | 7.78 |
| Stagecoach | 7.30 | 7.20 | 7.20 | 7.31 |
| Stand Charter | 8.25 | 8.11 | 8.14 | 8.16 |
| Tate & Lyle | 4.45 | 4.37 | 4.39 | 4.39 |
| Tesco | 3.44 | 3.29 | 3.32 | 3.42 |
| Thames Water | 7.45 | 6.62 | 6.65 | 6.81 |
| 3i Group | 5.26 | 5.20 | 5.23 | 5.28 |
| TI Group | 5.39 | 5.18 | 5.25 | 5.41 |
| Tomkins | 2.90 | 2.87 | 2.89 | 2.90 |
| Unilever | 14.95 | 13.92 | 14.72 | 13.90 |
| Utd Assurance | 5.45 | 5.20 | 5.43 | 5.19 |
| Utd News | 6.73 | 6.67 | 6.70 | 6.70 |
| Utd Utilities | 6.88 | 6.73 | 6.76 | 6.86 |
| Vendome Lx uts | 5.01 | 4.90 | 4.94 | 4.99 |
| Vodafone | 2.89 | 2.82 | 2.85 | 2.87 |
| Whitbread | 8.03 | 7.85 | 8 | 7.89 |
| Williams Hdgs | 3.37 | 3.32 | 3.34 | 3.34 |
| Wolseley | 4.87 | 4.75 | 4.82 | 4.76 |
| WPP Group | 2.47 | 2.43 | 2.45 | 2.48 |
| Zeneca | 17.85 | 17.55 | 17.81 | 17.60 |

## Madrid
Bolsa index: 473.24 Previous: 475.55

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Acerinox | 18880 | 18620 | 18640 | 18580 |
| ACESA | 1785 | 1760 | 1765 | 1765 |
| Aguas Barcelon | 5880 | 5830 | 5820 | 5830 |
| Argentaria | 5890 | 5860 | 5880 | 5890 |
| BBV | 8500 | 8440 | 8500 | 8450 |
| Banesto | 1115 | 1085 | 1085 | 1115 |
| Bankinter | 19900 | 19850 | 19880 | 19840 |
| Bco Centro Hisp | 3810 | 3760 | 3780 | 3800 |
| Bco Exterior | 2900 | 2800 | 2815 | 2720 |
| Bco Popular | 25470 | 25180 | 25300 | 25150 |
| Bco Santander | 9000 | 8950 | 9000 | 9000 |
| CEPSA | 4490 | 4380 | 4400 | 4485 |
| Continente | 2530 | 2500 | 2500 | 2525 |
| Corp Mapfre | 8200 | 8090 | 8110 | 8120 |
| Endesa | 9600 | 9400 | 9500 | 9510 |
| FECSA | 1285 | 1260 | 1260 | 1280 |
| Gas Natural | 33500 | 33200 | 33280 | 33420 |
| Iberdrola | 1645 | 1620 | 1625 | 1630 |
| Pryca | 2615 | 2570 | 2615 | 2595 |
| Repsol | 5690 | 5590 | 5610 | 5670 |
| Sevillana Elec | 1370 | 1350 | 1350 | 1360 |
| Tabacalera | 6820 | 6710 | 6730 | 6820 |
| Telefonica | 3380 | 3315 | 3325 | 3380 |
| Union Fenosa | 1180 | 1160 | 1170 | 1175 |
| Valenc Cement | 1495 | 1475 | 1495 | 1495 |

## Manila
PSE index: 3353.76 Previous: 3386.82

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Ayala B | 31 | 30 | 30 | 30 |
| Ayala Land | 32.50 | 32 | 32 | 32 |
| Bk Philip Isl | 183 | 181 | 183 | 182 |
| C&P Homes | 14 | 13.50 | 13.50 | 14 |
| Manila Elec A | 129 | 126 | 126 | 129 |
| Metro Bank | 725 | 715 | 720 | 730 |
| Petron | 11.25 | 10.75 | 11 | 11 |
| PCIBank | 362.50 | 352.50 | 360 | 352.50 |
| Phil Long Dist | 1580 | 1575 | 1580 | 1580 |
| San Miguel B | 103 | 101 | 101 | 102 |
| SM Prime Hdg | 7.70 | 7.50 | 7.50 | 7.60 |

## Mexico
Bolsa index: 3754.38 Previous: 3679.13

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Alfa A | 44.40 | 42.25 | 44.15 | 42.25 |
| Banacci B | 17.70 | 17.06 | 17.70 | 17.00 |
| Cemex CPO | 31.00 | 29.70 | 31.00 | 29.80 |
| Cifra C | 11.32 | 10.96 | 11.28 | 10.96 |
| Emp Modema | 43.80 | 43.20 | 43.50 | 44.00 |
| Gpo Carso A1 | 47.10 | 46.50 | 47.10 | 47.00 |
| Gpo Fin Inbursa | 28.40 | 28.00 | 28.40 | 28.00 |
| Kimb Clark Mex | 168.80 | 165.70 | 168.40 | 165.70 |
| Televisa CPO | 105.20 | 103.60 | 105.20 | 104.70 |
| TelMex L | 15.06 | 14.44 | 15.08 | 14.76 |

## Milan
MIB Telematico: 12575.00 Previous: 12680.00

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Alleanza Assic | 12950 | 12555 | 12920 | 12750 |
| Bca Comm Ital | 3780 | 3635 | 3650 | 3790 |
| Bca Fideuram | 4635 | 4575 | 4600 | 4575 |
| Bca di Roma | 1463 | 1370 | 1406 | 1431 |
| Benetton | 20800 | 20050 | 20180 | 20600 |
| Credito Italiano | 2550 | 2480 | 2500 | 2510 |
| Edison | 10000 | 9775 | 9825 | 10000 |
| ENI | 9045 | 8915 | 8930 | 9070 |
| Fiat | 5375 | 5265 | 5280 | 5370 |
| Generali Assic | 33450 | 33000 | 33200 | 33600 |
| IMI | 16400 | 16010 | 16030 | 16330 |
| INA | 2360 | 2300 | 2360 | 2315 |
| Italgas | 6750 | 6575 | 6590 | 6700 |
| Mediaset | 7550 | 7330 | 7340 | 7595 |
| Mediobanca | 11940 | 11750 | 11825 | 11900 |
| Montedison | 1323 | 1293 | 1293 | 1307 |
| Parmalat | 2715 | 2650 | 2700 | 2710 |
| Pirelli | 3670 | 3630 | 3645 | 3660 |
| RAS | 16490 | 16210 | 16320 | 16520 |
| Rolo Banca | 18000 | 17710 | 17710 | 17975 |
| S Paolo Torino | 11800 | 11500 | 11545 | 11735 |
| Stet | 8155 | 8035 | 8155 | 8105 |
| Telecom Italia | 4620 | 4500 | 4545 | 4610 |
| TIM | 4800 | 4720 | 4800 | 4775 |

## Montreal
Industrials index: 2955.95 Previous: 2958.68

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bce Mob Com | 42.60 | 42.20 | 42.20 | 42.10 |
| Cdn Tire A | 22.90 | 22.70 | 22.85 | 22½ |
| Cdn Util A | 32¼ | 32 | 32¼ | 32.10 |
| CT Finl Svc | 31.70 | 31.70 | 31.70 | 32 |
| Gaz Metro | 16.60 | 16.30 | 16.30 | 16.20 |
| Gt-West Lifeco | 22 | 22 | 22 | 22 |
| Imasco | 37¼ | 37¼ | 37¼ | 37½ |
| Investors Grp | 27.55 | 26¼ | 26¼ | 27.80 |
| Loblaw Cos | 16.65 | 16.55 | 16.65 | 16.70 |
| Natl Bk Canada | 15.80 | 15.40 | 15.80 | 15¼ |
| Power Corp | 29.20 | 29.10 | 29.15 | 29 |
| Power Finl | 26½ | 26.10 | 26.45 | 26½ |
| Quebecor B | 25.60 | 25.45 | 25½ | 25.60 |
| Rogers Comm B | 9 | 8.80 | 8.85 | 9.10 |
| Royal Bk Cda | 55¼ | 53¼ | 55 | 53.35 |

## Oslo
OBX index: 577.27 Previous: 581.99

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Aker A | 179.50 | 178.50 | 179 | 179.50 |
| Bergesen Dy A | 145 | 140 | 142 | 143.50 |
| Christiania Bk | 24.40 | 23.20 | 23.40 | 23.40 |
| Den norske Bk | 27.80 | 27.30 | 27.70 | 27.50 |
| Elkem | 99 | 95.50 | 98 | 96 |
| Hafslund A | 48.50 | 48.50 | 48.50 | 48 |
| Kvaerner Asa | 332 | 328 | 331.50 | 333.50 |
| Norsk Hydro | 371.50 | 365.50 | 365.50 | 372.50 |
| Norske Skog A | 199 | 198 | 198 | 200 |
| Nycomed A | 108 | 105.50 | 105.50 | 107.50 |
| Orkla Asa A | 506 | 500 | 505 | 503 |
| Petm GeoSvc | 266 | 259 | 265 | 267 |
| Saga Petim A | 117.50 | 112.50 | 113 | 117 |
| Schibsted | 132 | 125 | 125 | 132 |
| Transocean Off | 370 | 366 | 366 | 372 |
| Storebrand Asa | 39.20 | 38.90 | 39.10 | 38.90 |

## Paris
CAC-40: 2582.89 Previous: 2595.37

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Accor | 731 | 723 | 730 | 730 |
| AGF | 191 | 185 | 189 | 180 |
| Air Liquide | 921 | 906 | 913 | 925 |
| Alcatel Alsth | 592 | 575 | 587 | 576 |
| Axa-UAP | 380 | 376.60 | 379.80 | 378.70 |
| Bancaire | 700 | 684 | 700 | 694 |
| BIC | 912 | 896 | 905 | 908 |
| BNP | 229.80 | 224.20 | 229.50 | 225.50 |
| Canal Plus | 1177 | 1160 | 1165 | 1182 |
| Carrefour | 3370 | 3336 | 3336 | 3360 |
| Casino | 247.90 | 246.60 | 247 | 247 |
| CCF | 277 | 267.30 | 268.50 | 275 |
| Cetelem | 698 | 688 | 691 | 691 |
| Christian Dior | 900 | 887 | 892 | 901 |
| CLF-Dexia Fran | 529 | 518 | 521 | 525 |
| Credit Agricole | 1261 | 1267 | 1261 | 1267 |
| Danone | 839 | 830 | 839 | 834 |
| Elf-Aquitaine | 559 | 544 | 551 | 554 |
| Eridania BS | 893 | 877 | 889 | 886 |
| Eurotunnel | 7.35 | 7.10 | 7.25 | 7.35 |
| Gen. Eaux | 787 | 768 | 770 | 780 |
| Havas | 443.60 | 440.20 | 441.40 | 442.60 |
| Imetal | 878 | 850 | 877 | 880 |
| Lafarge | 366.50 | 360.20 | 362.80 | 363 |
| Legrand | 955 | 945 | 950 | 952 |
| L'Oreal | 1976 | 1954 | 1959 | 1966 |
| LVMH | 1430 | 1407 | 1415 | 1425 |
| Lyon. Eaux | 575 | 563 | 570 | 572 |
| Michelin B | 354.40 | 340 | 341.90 | 354 |
| Paribas A | 401 | 388 | 390.80 | 401 |
| Pernod Ricard | 313 | 308 | 309 | 310 |
| Peugeot Cit | 626 | 605 | 614 | 625 |
| Pinault-Print | 2473 | 2433 | 2444 | 2445 |
| Promodes | 1640 | 1612 | 1620 | 1627 |
| Renault | 128.90 | 125.10 | 128 | 128 |
| Rexel | 1740 | 1719 | 1730 | 1740 |
| Rh-Poulenc A | 184.90 | 182.20 | 182.20 | 185 |
| Roussel-Uclaf | 1540 | 1530 | 1531 | 1530 |
| Sanofi | 592 | 576 | 580 | 589 |
| Schneider | 299.90 | 288.70 | 291.10 | 288.10 |
| SEB | 1109 | 1100 | 1100 | 1107 |
| SGS Thomson | 397.90 | 385 | 386 | 405.80 |
| Ste Generale | 672 | 661 | 665 | 662 |
| Sodexho | 2710 | 2690 | 2700 | 2706 |
| St Gobain | 833 | 820 | 825 | 833 |
| Suez | 275.90 | 261 | 262.40 | 272 |
| Synthelabo | 587 | 577 | 583 | 587 |
| Thomson CSF | 172 | 168.60 | 172 | 167.90 |
| Total B | 472 | 467.20 | 468.10 | 473 |
| Usinor | 79.55 | 77.95 | 79.45 | 79.35 |
| Valeo | 390.80 | 387.20 | 390 | 391 |

## Seoul
Composite index: 713.43 Previous: 709.79

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Dacom | 115500 | 113000 | 113500 | 115000 |
| Daewoo Heavy | 5180 | 5100 | 5150 | 5100 |
| Kia Motors | 15900 | 15700 | 15800 | 15900 |
| Korea El Pwr | 28000 | 27600 | 27800 | 28000 |
| Korea Exch Bk | 7780 | 7150 | 7350 | 7140 |
| Korea Mob Tel | 550000 | 537000 | 537000 | 550000 |
| LG Semicon | 20300 | 19600 | 19600 | 19900 |
| Pohang Iron St | 43000 | 42200 | 42600 | 42900 |
| Samsung Elec | 54700 | 53000 | 54700 | 53900 |
| Shinhan Bank | 11200 | 10800 | 10900 | 10800 |

## Singapore
Straits Times: 2197.85 Previous: 2203.39

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Asia Pac Brew | 8.30 | 8 | 8.25 | 8.30 |
| Cerebos Pac | 10.30 | 10.10 | 10.10 | 10.30 |
| City Devlts | 14.60 | 14.20 | 14.60 | 14 |
| Cycle Carriage | 15.20 | 15 | 15 | 15.20 |
| Dairy Farm Int * | 0.81 | 0.78 | 0.79 | 0.81 |
| DBS foreign | 19.70 | 19.20 | 19.50 | 19.20 |
| DBS Land | 5.80 | 5.70 | 5.80 | 5.75 |
| Far East Levng | 7 | 6.75 | 6.75 | 7.10 |
| Fraser & Neave | 13.40 | 13.10 | 13.10 | 13.10 |
| HK Land * | 3 | 2.94 | 2.99 | 2.96 |
| Jard Matheson * | 6.30 | 6.10 | 6.15 | 6.30 |
| Jard Strategic * | 3.44 | 3.40 | 3.44 | 3.44 |
| Keppel | 11.30 | 10.90 | 10.90 | 11.10 |
| Keppel Bank | 4.20 | 4.14 | 4.14 | 4.12 |
| OCBC foreign | 18.50 | 18.10 | 18.40 | 18.10 |
| OS Union Bk F | 11.30 | 11.20 | 11.20 | 11.20 |
| Parkway Hdgs | 6 | 5.85 | 5.95 | 5.75 |
| Sembawang | 8.05 | 7.90 | 8 | 7.85 |
| Sing Air foreign | 13.60 | 13.40 | 13.50 | 13.50 |
| Sing Land | 8.45 | 8.40 | 8.40 | 8.45 |
| Sing Press F | 28.50 | 28.10 | 28.10 | 28 |
| Sing Tech Ind | 3.86 | 3.80 | 3.80 | 3.80 |
| Sing Telecomm | 3.36 | 3.30 | 3.32 | 3.32 |
| Straits Steam | 4.96 | 4.90 | 4.92 | 4.94 |
| Tat Lee Bank | 3.52 | 3.44 | 3.50 | 3.46 |
| Utd Industrial | 1.22 | 1.19 | 1.20 | 1.19 |
| Utd O'Sea Bk F | 16.40 | 16.10 | 16.40 | 16.20 |
| Wing Tai Hdgs | 4.52 | 4.48 | 4.48 | 4.50 |

*: in U.S. dollars.

## Stockholm
SX 16 index: 2790.61 Previous: 2793.99

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AGA B | 106.50 | 106 | 106 | 106.50 |
| ABB A | 943 | 930 | 935 | 935 |
| AssiDoman | 186 | 180.50 | 185.50 | 181 |
| Astra A | 359 | 354 | 357.50 | 355 |
| Atlas Copco A | 175.50 | 174.50 | 174.50 | 176 |
| Autoliv | 332 | 326 | 326 | 330.50 |
| Electrolux B | 457 | 443 | 453 | 441.50 |
| Ericsson B | 255 | 244.50 | 248 | 252 |
| Hennes B | 1085 | 1041 | 1047 | 1073 |
| Incentive A | 535 | 531 | 531 | 533 |
| Investor B | 347 | 342.50 | 344 | 345 |
| MoDo B | 217.50 | 211 | 216 | 214 |
| Nordbanken | 225 | 220 | 222.50 | 225 |
| Pharm/Upjohn | 270.50 | 267.50 | 268 | 270.50 |
| Sandvik B | 197.50 | 194.50 | 197 | 195 |
| Scania B | 190 | 189 | 190 | 189 |
| SCA B | 159 | 154 | 156 | 155 |
| S-E Banken A | 68.50 | 67.50 | 68 | 67.50 |
| Skandia Fors | 207 | 204 | 206 | 205 |
| Skanska B | 311.50 | 306 | 306 | 312 |
| SKF B | 185 | 181.50 | 185 | 182 |
| Sparbanken A | 115.50 | 114 | 114 | 114.50 |
| Stadshypotek A | 189.50 | 189 | 189.50 | 189 |
| Stora A | 97.50 | 95.50 | 97 | 95.50 |
| Sv Handles A | 189 | 187.50 | 188 | 188 |
| Volvo B | 185.50 | 181.50 | 183 | 182.50 |

## Sydney
All Ordinaries: 2448.10 Previous: 2446.40

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amcor | 8.24 | 8.12 | 8.24 | 8.15 |
| ANZ Bkng | 8.25 | 8.11 | 8.22 | 8.15 |
| BHP | 17.65 | 17.48 | 17.65 | 17.60 |
| Boral | 3.45 | 3.44 | 3.46 | 3.44 |
| Brambles Ind. | 23 | 22.65 | 23 | 22.99 |
| CBA | 13.59 | 13.40 | 13.41 | 13.58 |
| CC Amatil | 13.38 | 13.25 | 13.37 | 13.29 |
| Coles Myer | 5.08 | 5.04 | 5.07 | 5.08 |
| Comalco | 6.85 | 6.70 | 6.70 | 6.81 |
| CRA | 19 | 18.85 | 18.90 | 18.94 |
| CSR | 4.49 | 4.44 | 4.48 | 4.46 |
| Fosters Brew | 2.59 | 2.54 | 2.59 | 2.54 |
| Gen Prop Trust | 2.47 | 2.45 | 2.47 | 2.44 |
| GIO Australia | 3.42 | 3.39 | 3.40 | 3.44 |
| Goodman Fld | 1.56 | 1.54 | 1.56 | 1.56 |
| ICI Australia | 12.69 | 12.62 | 12.65 | 12.81 |
| John Fairfax | 3.02 | 2.99 | 3.04 | 3 |
| Lend Lease | 23.70 | 23.30 | 23.20 | 23.72 |
| Mayne Nickless | 7.72 | 7.64 | 7.66 | 7.72 |
| MIM Hdgs | 1.76 | 1.76 | 1.76 | 1.77 |
| Nat Aust Bank | 15.75 | 15.74 | 15.86 | 15.78 |
| Nat Mutual Hdg | 1.84 | 1.81 | 1.84 | 1.84 |
| News Corp | 6.74 | 6.65 | 6.67 | 6.75 |
| Normandy Min | 1.67 | 1.62 | 1.67 | 1.62 |
| North Ltd | 4.20 | 4.11 | 4.17 | 4.11 |
| Pacific Dunlop | 3.11 | 3.08 | 3.10 | 3.09 |
| Pioneer Intl | 3.83 | 3.79 | 3.83 | 3.79 |
| Pub Broadcast | 6.75 | 6.70 | 6.74 | 6.75 |
| Qantas Airways | 2.38 | 2.30 | 2.28 | 2.31 |
| Santos | 4.74 | 4.68 | 4.74 | 4.71 |
| Southcorp | 4.34 | 4.29 | 4.35 | 4.34 |
| Wesfarmers | 9.70 | 9.40 | 9.65 | 9.40 |
| WMC | 7.86 | 7.79 | 7.85 | 7.85 |
| Westfield Trust | 2.47 | 2.45 | 2.46 | 2.45 |
| Westpac Bking | 7.63 | 7.54 | 7.63 | 7.57 |
| Woodside Pet | 9.47 | 9.35 | 9.40 | 9.40 |
| Woolworths | 3.37 | 3.33 | 3.34 | 3.38 |

## Taipei
Stock Market index: 7418.47 Previous: 7346.88

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Cathay Life Ins | 180 | 178 | 178 | 178 |
| Chang Hwa Bk | 171 | 168 | 168 | 168 |
| Chiao Tung Bk | 84 | 82 | 83.50 | 82 |
| China Develpmt | 95.50 | 93 | 94.50 | 92.50 |
| China Steel | 25.80 | 25.20 | 25.30 | 25.50 |
| First Bank | 179 | 176 | 177 | 176 |
| Formosa Plastic | 71 | 70 | 70.50 | 70.50 |
| Hua Nan Bk | 145.50 | 143 | 143.50 | 143 |
| Intl Comm Bk | 84 | 83 | 83 | 83 |
| Nan Ya Plastics | 65.50 | 64.50 | 64.50 | 64.50 |
| Shin Kong Life | 116 | 112 | 113 | 114.50 |
| Taiwan Semi | 58.50 | 57.50 | 58 | 57.50 |
| Tatung | 53.50 | 52.50 | 52.50 | 52.50 |
| Utd Micro Elec | 40.60 | 39.90 | 40 | 39.60 |
| Utd World Chin | 71 | 70 | 70 | 70 |

## Toronto
TSE Industrials: 6111.05 Previous: 6081.27

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Abitibi Price | 22.15 | 21¾ | 21.85 | 22.10 |
| Alberta Energy | 29.80 | 28.90 | 29.80 | 29.05 |
| Alcan Alum | 47.40 | 46.65 | 46.95 | 47 |
| Anderson Expl | 16¼ | 16.45 | 16.60 | 16¼ |
| Bk Montreal | 50.70 | 49.15 | 49.85 | 49.05 |
| Bk Nova Scotia | 53.70 | 51.80 | 52.80 | 51.60 |
| Barrick Gold | 35½ | 34.85 | 35.20 | 35.65 |
| BCE | 69.90 | 69.35 | 69.90 | 69.30 |
| BC Telecomm | 30.95 | 30½ | 30.95 | 30¼ |
| Biochem Pharm | 74½ | 74½ | 74½ | 74½ |
| Bombardier B | 25.85 | 25.45 | 25½ | 25.80 |
| Brascan A | 30.95 | 30.65 | 30.85 | 30¾ |
| Bre-X Minerals | 21.85 | 21¼ | 21.50 | 21.20 |
| Cameco | 52.10 | 51.90 | 51.95 | 52 |
| CIBC | 67½ | 65.95 | 66¼ | 65.45 |
| Cdn Natl Rail | 51½ | 51 | 51.10 | 51.15 |
| Cdn Nat Res | 34¼ | 33.65 | 34.10 | 33.85 |
| Cdn Occid Pet | 23.40 | 23.20 | 23.35 | 23.15 |
| Cdn Pacific | 35.10 | 34.20 | 35.10 | 34.65 |
| Cominco | 39 | 38½ | 38.85 | 38.55 |
| Dofasco | 26.35 | 26.10 | 26.15 | 26.10 |
| Domtar | 12 | 11.95 | 11.95 | 12 |
| Donohue A | 26.10 | 25.45 | 26.10 | 26 |
| Du Pont Cda A | 33 | 32½ | 32½ | 33 |
| Edper Group | 21.40 | 21.35 | 21.40 | 21.40 |
| EuroNev Mng | 36.95 | 36.35 | 36.65 | 36½ |
| Fairfax Finl | 299 | 298 | 298 | 299 |
| Falconbridge | 29.90 | 29½ | 29.90 | 29.60 |
| Fletcher Chall A | 21.85 | 21¾ | 21.80 | 21¾ |
| Franco Nevada | 59 | 58.60 | 58¾ | 58½ |
| Gulf Cda Res | 10.35 | 10 | 10.15 | 10 |
| Imperial Oil | 64½ | 64.30 | 64.30 | 64¼ |
| Inco | 46.45 | 46.05 | 46.35 | 46.10 |
| IPL Energy | 41.90 | 41.20 | 41.45 | 41.85 |
| Laidlaw B | 18.05 | 17.80 | 17.80 | 18 |
| Loewen Group | 47.30 | 46¼ | 47.30 | 46¼ |
| Macmill Bld | 17½ | 17¼ | 17.40 | 17½ |
| Magna Intl A | 73.85 | 72.60 | 73¼ | 73.45 |
| Methanex | 13.65 | 13¼ | 13.60 | 13¼ |
| Moore | 28¼ | 28 | 28.15 | 28.20 |
| Newbridge Net | 42.65 | 41.40 | 42.45 | 42.20 |
| Noranda Inc | 32.85 | 32.60 | 32.70 | 32¼ |
| Norcen Energy | 30¼ | 30¼ | 30.60 | 30.65 |
| Nthern Telecom | 96.65 | 95.20 | 95.80 | 96½ |
| Nova | 12.80 | 12.65 | 12¾ | 12.70 |
| Onex | 23¼ | 23.15 | 23¼ | 23¼ |
| Pancdn Petlm | 55.70 | 55 | 55 | 55½ |
| Petro Cda | 20.70 | 20.40 | 20.45 | 20.65 |
| Placer Dome | 27.35 | 26.85 | 27.10 | 27¼ |
| Poco Pet'm | 13.90 | 13.70 | 13¾ | 13¼ |
| Potash Sask | 104½ | 98.80 | 104 | 101.05 |
| Renaissance | 43.95 | 43.15 | 43.85 | 43.10 |
| Rio Algom | 31.95 | 31¼ | 31.95 | 32 |
| Rogers Cantel B | 26.55 | 26¼ | 26½ | 26¼ |
| Seagram Co | 56.45 | 55.30 | 55.95 | 55¼ |
| Shell Cda A | 56¼ | 56 | 56.10 | 56¼ |
| Stone Consold | 20.65 | 20.55 | 20.55 | 20.65 |
| Suncor | 60.55 | 58½ | 59 | 59.85 |
| Talisman Eny | 44.45 | 43.30 | 44.15 | 43.20 |
| Teck B | 30¾ | 30½ | 30.65 | 30¾ |
| Teleglobe | 39.60 | 38.90 | 39½ | 38.60 |
| Telus | 20.60 | 20.40 | 20.55 | 20.30 |
| Thomson | 28.10 | 27.90 | 27.95 | 28.05 |
| TorDom Bank | 40.40 | 39.20 | 39.65 | 39.05 |
| Transalta | 16½ | 16.40 | 16.45 | 16.45 |
| TransCda Pipe | 25.15 | 24.95 | 25 | 25.15 |
| Trimark Finl | 44.60 | 43.80 | 44½ | 43.80 |
| Trizec Hahn | 33.30 | 33.05 | 33.20 | 33.05 |
| TVX Gold | 10.40 | 10.05 | 10.15 | 10.45 |
| Westcoast Eny | 24¼ | 24.20 | 24¼ | 24½ |
| Weston | 75 | 74½ | 74¾ | 74 |

## Vienna
ATX index: 1200.23 Previous: 1201.96

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| BBAG | 793 | 780.05 | 782 | 787.50 |
| Boehler-Uddeh | 807.50 | 802 | 805 | 801 |
| Brau-Un Goess | 673 | 662 | 673 | 673.90 |
| Creditanst Pfd | 417 | 401.50 | 416.20 | 405.40 |
| EA-Generali | 3430 | 3390 | 3405 | 3390 |
| EVN | 1732 | 1716.50 | 1728 | 1730 |
| Flughafen Wien | 559 | 554 | 559 | 558 |
| Maym-Meinhof | 619 | 595 | 602.50 | 599 |
| OMV | 1389 | 1377 | 1379.90 | 1383.50 |
| Oest Elektriz | 874 | 862.70 | 871 | 869 |
| Radex-Hera | 400 | 390 | 391 | 401 |
| VA Stahl | 439.50 | 436 | 439 | 435.90 |
| VA Tech | 1827 | 1800.10 | 1806.50 | 1820 |
| Wienerberg Bau | 2153 | 2110 | 2110 | 2145 |
| Wolford | 1450 | 1440 | 1449 | 1447 |

## Wellington
NZSE-40 index: 2318.00 Previous: 2330.28

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Air N Zeald B | 3.81 | 3.79 | 3.80 | 3.79 |
| Brierly Invt | 1.32 | 1.31 | 1.32 | 1.31 |
| Carter Holt ord | 3.26 | 3.24 | 3.24 | 3.23 |
| Fletch Ch Bldg | 4.57 | 4.52 | 4.56 | 4.60 |
| Fletch Ch Eny | 4.12 | 4.02 | 4.04 | 4.14 |
| Fletch Ch Forst | 2.14 | 2.09 | 2.09 | 2.15 |
| Fletch Ch Paper | 2.78 | 2.78 | 2.78 | 2.81 |
| Lion Nathan | 3.70 | 3.60 | 3.60 | 3.73 |
| Telecom NZ | 6.97 | 6.90 | 6.94 | 6.98 |
| Wilson Horton | 11.30 | 11.30 | 11.30 | 11.30 |

## Zurich
SPI index: 2808.04 Previous: 2796.13

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABB B | 1830 | 1812 | 1828 | 1822 |
| Adecco B | 434 | 423.50 | 432 | 420 |
| Alusuisse R | 1208 | 1188 | 1201 | 1209 |
| Ares-Serono B | 1540 | 1525 | 1535 | 1540 |
| Atel R | 865 | 845 | 865 | 850 |
| Baloise Hdg R | 2955 | 2865 | 2930 | 2905 |
| BK Vision | 806 | 799 | 806 | 800 |
| Clariant R | 663 | 646 | 663 | 657 |
| Crd Suisse Gp R | 150 | 148 | 149.50 | 149.50 |
| Elektrowatt B | 539 | 538 | 539 | 539 |
| Ems-Chemie | 5525 | 5400 | 5520 | 5470 |
| ESEC Hdg | 4700 | 4560 | 4640 | 4650 |
| Holderbank B | 1079 | 1063 | 1073 | 1080 |
| Nestle R | 1585 | 1574 | 1584 | 1577 |
| Novartis R | 1742 | 1710 | 1742 | 1702 |
| Pargesa Hld B | 1544 | 1501 | 1520 | 1520 |
| PharmVisn B | 744 | 736 | 741 | 743 |
| Richemont A | 1975 | 1962 | 1965 | 1960 |
| Roche Hdg PC | 12440 | 12250 | 12375 | 12435 |
| SBC R | 277.50 | 273 | 275 | 276.50 |
| SGS B | 3385 | 3320 | 3320 | 3385 |
| SMH B | 932 | 930 | 932 | 963 |
| Sulzer R | 963 | 945 | 959 | 956 |
| Swiss Reins R | 1466 | 1432 | 1451 | 1467 |
| Swissair R | 1350 | 1320 | 1330 | 1350 |
| UBS B | 1250 | 1235 | 1243 | 1239 |
| Winterthur R | 866 | 855 | 863 | 862 |
| Zurich Assur R | 419 | 412.50 | 419 | 415 |

## The Trib Index

Prices as of 3:00 P.M. New York time.

| Jan. 1, 1992 = 100. | Level | Change | % change | year to date % change |
|---|---|---|---|---|
| World Index | 151.18 | -1.52 | -1.00 | +14.64 |
| **Regional Indexes** | | | | |
| Asia/Pacific | 109.11 | -0.57 | -0.52 | -18.73 |
| Europe | 162.37 | -3.06 | -1.85 | +16.66 |
| N. America | 174.54 | -0.86 | -0.49 | +36.06 |
| S. America | 135.00 | +0.43 | +0.32 | +51.62 |
| **Industrial Indexes** | | | | |
| Capital goods | 178.43 | -2.12 | -1.19 | +32.77 |
| Consumer goods | 170.01 | -0.62 | -0.36 | +23.13 |
| Energy | 176.55 | -1.98 | -1.11 | +30.18 |
| Finance | 110.27 | -0.78 | -0.70 | -13.33 |
| Miscellaneous | 161.79 | -0.60 | -0.37 | +19.13 |
| Raw Materials | 180.96 | -0.52 | -0.29 | +27.62 |
| Service | 139.74 | -0.72 | -0.51 | +16.45 |
| Utilities | 132.92 | -12.97 | -8.89 | +4.55 |

*The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.* Compiled by Bloomberg News.

# NYSE

**Tuesday's 4 P.M. Close**

*Nationwide prices not reflecting late trades elsewhere.*

*The Associated Press.*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THE WORLD'S DAILY NEWSPAPER


Continued on Page 17

# Thai Firms Face a Cash Crunch

## *Bad Loans, a Weak Baht and Slumping Stocks Are to Blame*

*Compiled by Our Staff From Dispatches*

BANGKOK — Saddled with a stockpile of nonperforming debts from a stagnant property sector, Thailand's financial institutions are likely to be hit by serious cash-flow problems this year, industry sources say.

Nonperforming debts in the property sector had a serious impact on the Thai economy after finance companies took a clobbering in the middle of 1996, and analysts warn that this year may be even worse.

"Many finance and securities companies will not set a profit target this year because they are only concentrating on how to maintain the survival of their companies and reduce bad debts," Saravut Busayarat, executive vice president of Thai Summit Finance & Securities, said.

Recent worries about bad loans in the property sector were highlighted last week, when Somprasong Land PLC said Wednesday it had defaulted on $3.1 million in interest due on a Euro convertible bond issue.

The benchmark Stock Exchange of Thailand index closed 3.24 points lower Tuesday, at 733.99, its lowest level in more than a year.

"The Somprasong default is expected to increase worries over loan-portfolio quality among local commercial banks and finance companies," Somchai Wongrasmee, an analyst with Ekachart Finance & Securities, said.

Finance companies and banks with large exposure to the property sector may have problems "if their customers panic and start withdrawing money from deposit accounts," he said, adding that customers were already worried that banks and finance companies could be dragged down with their property debtors. Liquidity in Thailand's banking sector has tightened, and analysts said it was unlikely that interest rates would come down soon.

Meanwhile, the U.S. dollar is rising against the baht, and rumors of an impending devaluation of the Thai currency are making financial institutions even more reluctant to lend money.

The resulting cash-flow shortage is starting to affect local financial institutions, analysts said. Many such companies have taken the unprecedented step of offering incentives to employees in all branches — including researchers and analysts — to do their part by bringing in more deposits from clients.

"My company has been trying to encourage staff working in nonfinancial departments to bring in more deposits from clients since last year," Ariyawich Ek-niampun, a senior vice president of ITF Finance & Securities, said.

He said ITF planned to increase client deposits as a way of raising liquidity, obtaining more revenue from finance businesses instead of relying on the securities business, which has been hit by the slump on the stock exchange.

Meanwhile, the property market has been suffering from oversupply and high interest rates, causing serious cash-flow problems for developers.

Mr. Ariyawich said ITF's deposit campaign would solve its liquidity problems, adding that it was preferable to such measures as layoffs or branch closings.

But cash shortages could cause many companies to collapse in the coming year, he said, adding that the only recourse for failing companies would be to borrow at high interest rates from finance companies or banks.

Mr. Saravut of Thai Summit Finance said the cash-flow shortage caused by high interest rates would be compounded by the inability of many companies to get loans from overseas lending institutions, which have shown a lack of confidence in Thai companies.

He said many finance companies' cash-flow problems would not be solved until the government implemented measures to bolster the economy and got positive results from them, something he said might not occur until the end of the year.

*(Reuters, AFP)*

## Central Bank Trims '97 Growth Forecast

*Bloomberg News*

BANGKOK — The central bank cut its 1997 growth forecast for the nation Tuesday, saying the Thai economy would grow at about its slowest pace in a decade.

Rerngchai Marakanond, the Bank of Thailand's governor, said government spending cuts announced Tuesday had prompted the bank to lower its growth forecast to 6.8 percent from 7.1 percent. The economy grew at its slowest pace in a decade last year, at an estimated 6.7 percent, and analysts say the figure is likely to be lower after data are revised. The government said it would cut spending 6 percent this year, to 925 billion baht ($35.6 billion), and it ordered state-owned companies to cut spending by 44 billion baht.

While the cuts will slow economic growth, the central bank chief said, they also will help narrow the current-account deficit by curbing imports.

The country's deficit, which measures the net flow of international trade, services and some funds, will be equal to 7.4 percent of its gross domestic product this year, he said.

Thailand also said it may sell 100-year bonds to demonstrate its financial stability. It would become the fourth Asian issuer to capitalize on a global trend toward so-called century bonds.

# Bangkok Airport Expansion Gets Funds

*Compiled by Our Staff From Dispatches*

BANGKOK — The cabinet allocated 12 billion baht ($462 million) Tuesday for an expansion of Bangkok's only international airport and postponed by seven years the completion of a second airport.

Don Muang International Airport, which now handles more than 25 million passengers a year, will be expanded to handle as many as 45 million annually by 2007.

The second airport was scheduled to be finished by 2000 at a cost of 96 billion baht. The transport and communications minister, Suwat Liptapallop, said the seven-year delay in the timetable would allow time for a revision of its design and a thorough review of construction costs.

Cost-cutting steps are to include renegotiating an 11.7 billion-baht landfill contract signed in December with Italian-Thai Development PLC. The second airport, at Nong Ngu Hao on the southeastern edge of Bangkok, has been in the development stage since the 1960s. The project, often mired in controversy, became an issue again recently when Prime Minister Chaovalit Yongchaiyut said he wanted to move the airport closer to the country's industrial heartland. Critics said the prime minister was needlessly delaying a vital project and undermining the confidence of foreign investors. *(Bloomberg, AFP, AP)*

# *Paribas Purchase Marks France's Advance in Asia*

*Agence France-Presse*

HONG KONG — A move by Banque Paribas SA to buy Asia Equity Holding Ltd. is the latest sign of the growing presence of French banks in Asian brokerage operations at this period of increasing competition in the region's markets.

The bank subsidiary of Compagnie Financiere de Paribas announced last week that it had reached an agreement in principle with the Thai brokerage concern Securities One Inc. to buy 70 percent of Asia Equity.

Asia Equity is based in Hong Kong and operates in the main Southeast Asian markets. The deal follows the purchase of Crosby Securities Ltd., also based in Hong Kong, by Societe Generale SA in August 1996, the acquisition by Banque Nationale de Paris SA of Prime East Capital Group in Singapore at the beginning of February and the reorganization of W.I. Carr Inc., the Asian brokerage unit of Banque Indosuez SA, after the bank was taken under the wing of Credit Agricole SA.

"There has been a very significant upgrade in the French-owned equity business in Asia," said John Mulcahy, W.I. Carr's managing director in Hong Kong.

The fifth major French player is Credit Lyonnais Securities Asia, one of the jewels of heavily indebted Credit Lyonnais SA.

The move by Paribas — an aggressive merchant bank, particularly in bond issues, that had shown little interest so far in the distribution side of the business — particularly illustrates the evolution of brokerage concerns in the area of transferable securities in Asia, a banking official who asked to remain anonymous said.

"If you are an investment bank without distribution, you have one arm tied behind your back," he said.

Over the past 10 years, large Asian concerns have developed more sophisticated methods of financing — from shares and debentures to convertible bonds and derivative securities.

Banks that can not provide these services are pushed toward riskier "second-tier" clients, a French banker said.

Working methods have also changed in brokerages as the commercial environment has shifted.

"This is a very competitive environment; the era of high margins is coming to an end," Mr. Mulcahy said. Fund managers, who provide most of the brokerage business, demand a higher quality of research as well as reduced margins.

The answer to this profit squeeze is "full integration of the equity business, the whole range of activities that will make the best use of the costs basis," Mr. Mulcahy said.

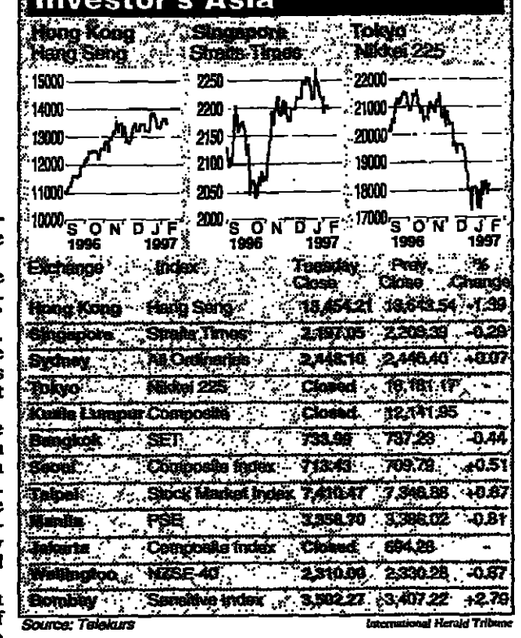
Brokerages must win the backing of the investment banks and, in the case of "all-embracing" European banks, turn the portfolio of commercial-banking clients to their advantage, he said.

Asia's economic boom indicates that the cake will not stop growing, he said, but firms will have to fight for their slices of it.

The French banker added that in this competitive atmosphere, Wall Street's giant firms are far ahead.

Their profitability in a large domestic market "enables them to invest here some enormous sums, taking some considerable risks," the banker said.

## Investor's Asia




| Exchange | Index | Tuesday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Hong Kong | Hang Seng | 13,454.21 | 13,643.54 | -1.39 |
| Singapore | Straits Times | 2,197.05 | 2,203.39 | -0.29 |
| Sydney | All Ordinaries | 2,448.10 | 2,446.40 | +0.07 |
| Tokyo | Nikkei 225 | Closed | 19,161.47 | - |
| Kuala Lumpur | Composite | Closed | 1,241.95 | - |
| Bangkok | SET | 733.99 | 737.29 | -0.44 |
| Seoul | Composite Index | 713.43 | 709.78 | +0.51 |
| Taipei | Stock Market Index | 7,410.47 | 7,346.88 | +0.87 |
| Manila | PSE | 3,358.70 | 3,386.02 | -0.81 |
| Jakarta | Composite Index | Closed | 684.28 | - |
| Wellington | NZSE-40 | 2,310.00 | 2,330.28 | -0.87 |
| Bombay | Sensitive Index | 3,502.27 | 3,407.22 | +2.79 |

Source: Telekurs — International Herald Tribune

## Very briefly:

• **Giordano International Ltd.**, the clothing company founded by Jimmy Lai, declined to comment as its shares rose 12 percent, to 5.00 Hong Kong dollars (64.5 U.S. cents) amid speculation that it would make a breakthrough in its expansion in China. "There has been no progress that we have to report to the public," the corporate secretary, Alice Yip, said.

• **Carter Holt Harvey Ltd.**, a New Zealand forestry company, said its third-quarter net profit fell 42 percent, to 53 million New Zealand dollars ($36.3 million) amid declining prices and a disappointing contribution from its Chilean operations. Sales in the quarter were unchanged at 311 million dollars.

• **Samsung Aerospace Industries Ltd.** is negotiating with the European aircraft consortium **Aero International (Regional)** on possible joint development of passenger jets.

• **Philippine Airlines Inc.** expects a net loss of about 2 billion pesos ($75.9 million) for the year ending March 31. Shareholders, meanwhile, approved issuing shares to double the airline's capital to 20 billion pesos.

• **The Philippine Supreme Court** rejected a suit seeking to suspend the government's plan to deregulate the oil industry.

*AFX, AP, Bloomberg*

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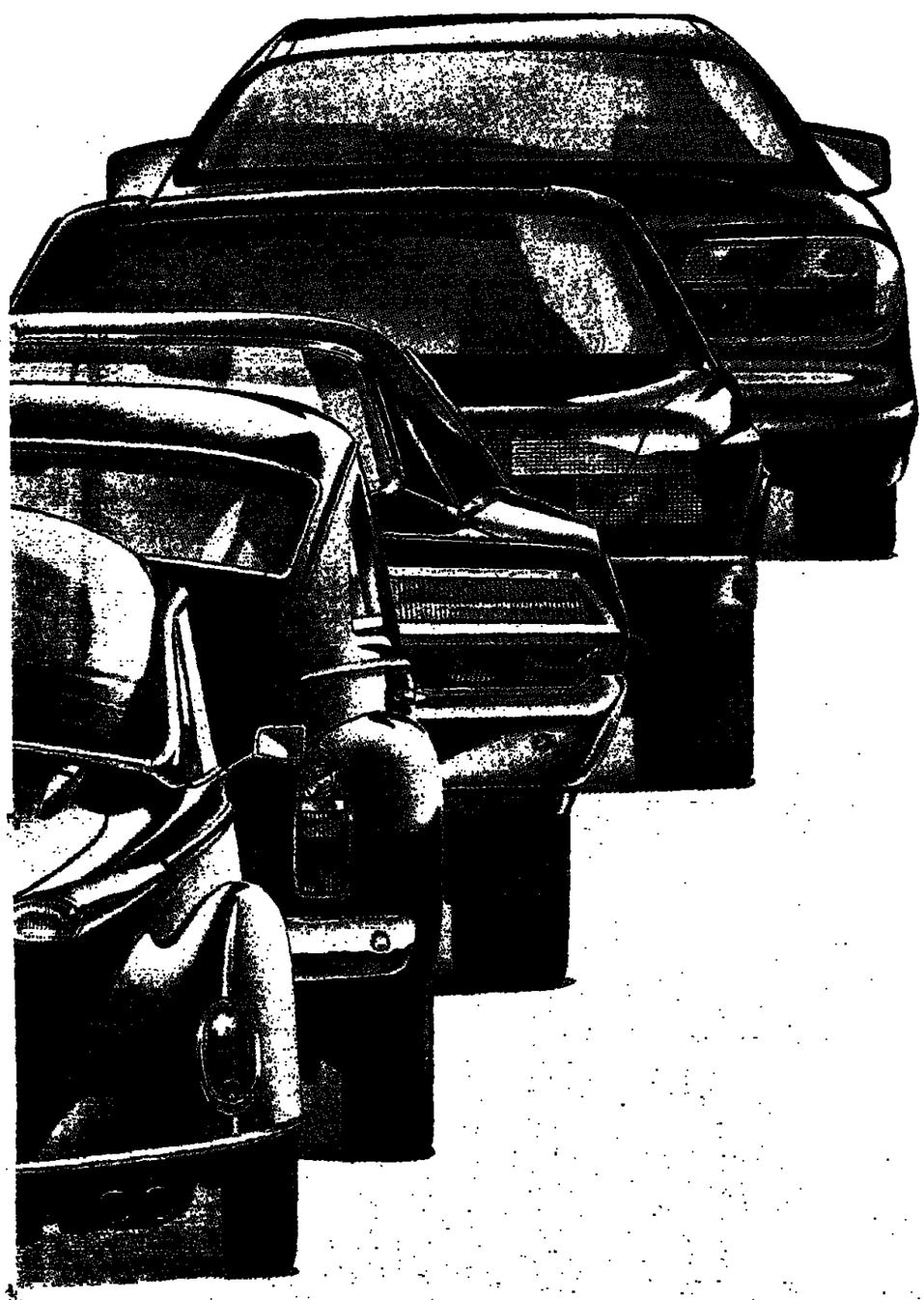
**Airport Center/ Senningerberg**
**Luxembourg**

By judgement dated 31 January 1997, the Luxembourg *District Court sitting in commercial matters, appointed* Maître Marc KLEYR, attorney-at-law, Luxembourg, *liquidator of* BCCI Holdings (LUXEMBOURG) SA, *successor* to Mr. Georges RAVARANI.

**The Liquidator**
**Marc KLEYR**

Degussa on Plastics Recycling



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February 11, 1997

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## Other Funds

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; Dkk -Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; Fll - Finish Mark; FL - Dutch gFlorin; IDR - Indonesian Rupiah; Lit - Italian lire; LF - Luxembourg Francs; p-pesos; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Skr - Swedish Kroner; THB - Thai Baht; Y - Yen;

a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o- New; S - suspended; SIS - stock Split; * - Ex-Dividend; ** - Ex-Rts; - 0 Offer Price incl. 1% prelim. charge; * - Paris exchange; ++ -Amsterdam exchange; a - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

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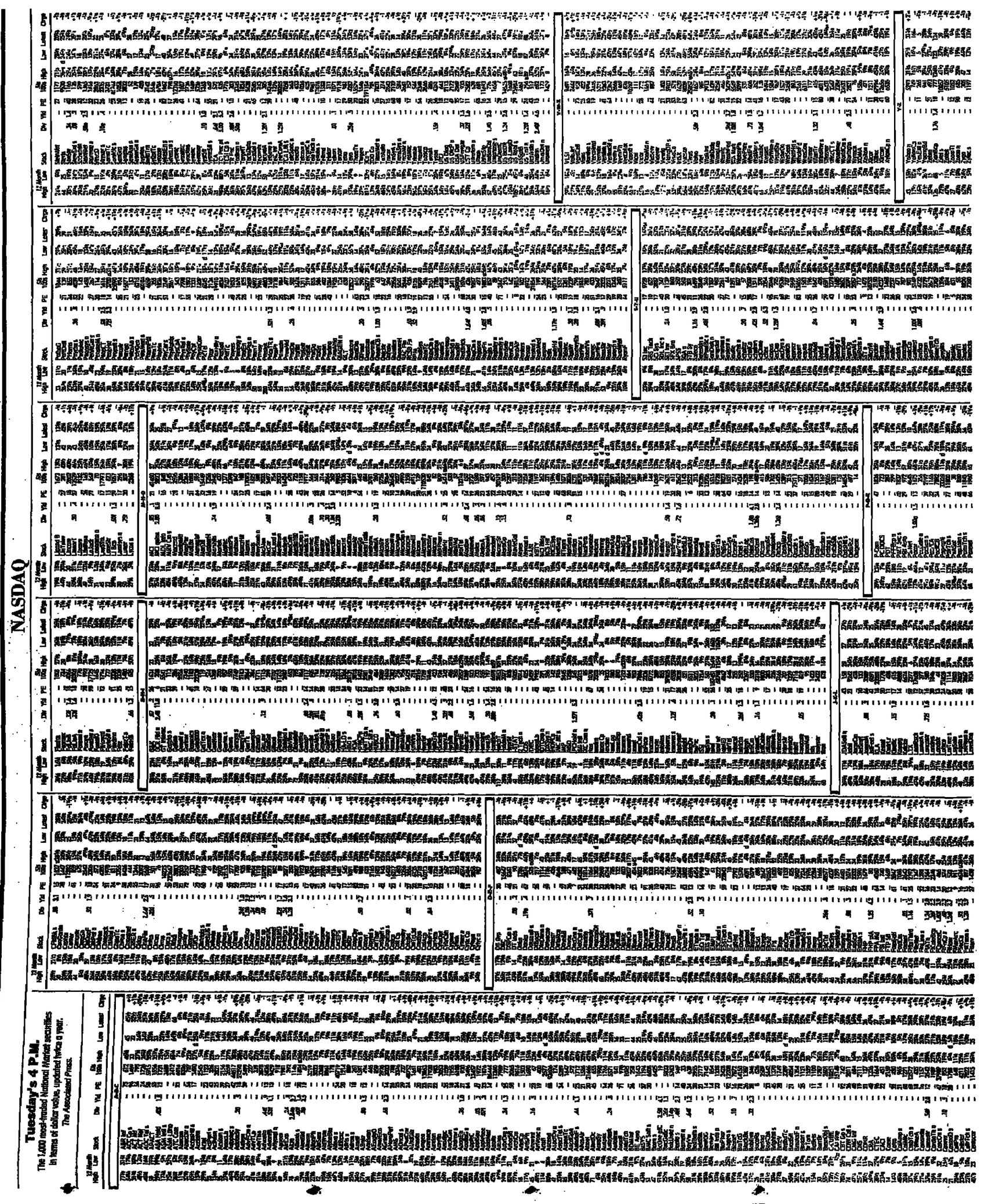
The data ("the Data") in the list above ("the list") is the n.a.v. supplied by the fund groups ("the Fund Groups") listed therein. The data is delivered by each Fund Group to Micropal SA (Tel Paris 33-1-40-26-09-09), collated and reformatted into the List and then transmitted by Micropal to IHT. Micropal and IHT do not warrant the quality or accuracy of the List, the Data of the performance of lides of the Fund Groups and will not be liable for the List, the Data of Fund Groups to any extent. The List is not and shall not be deemed to be an offer by IHT or Micropal to sell securities or investments of any kind. Investments can fall as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent adviser before investing.

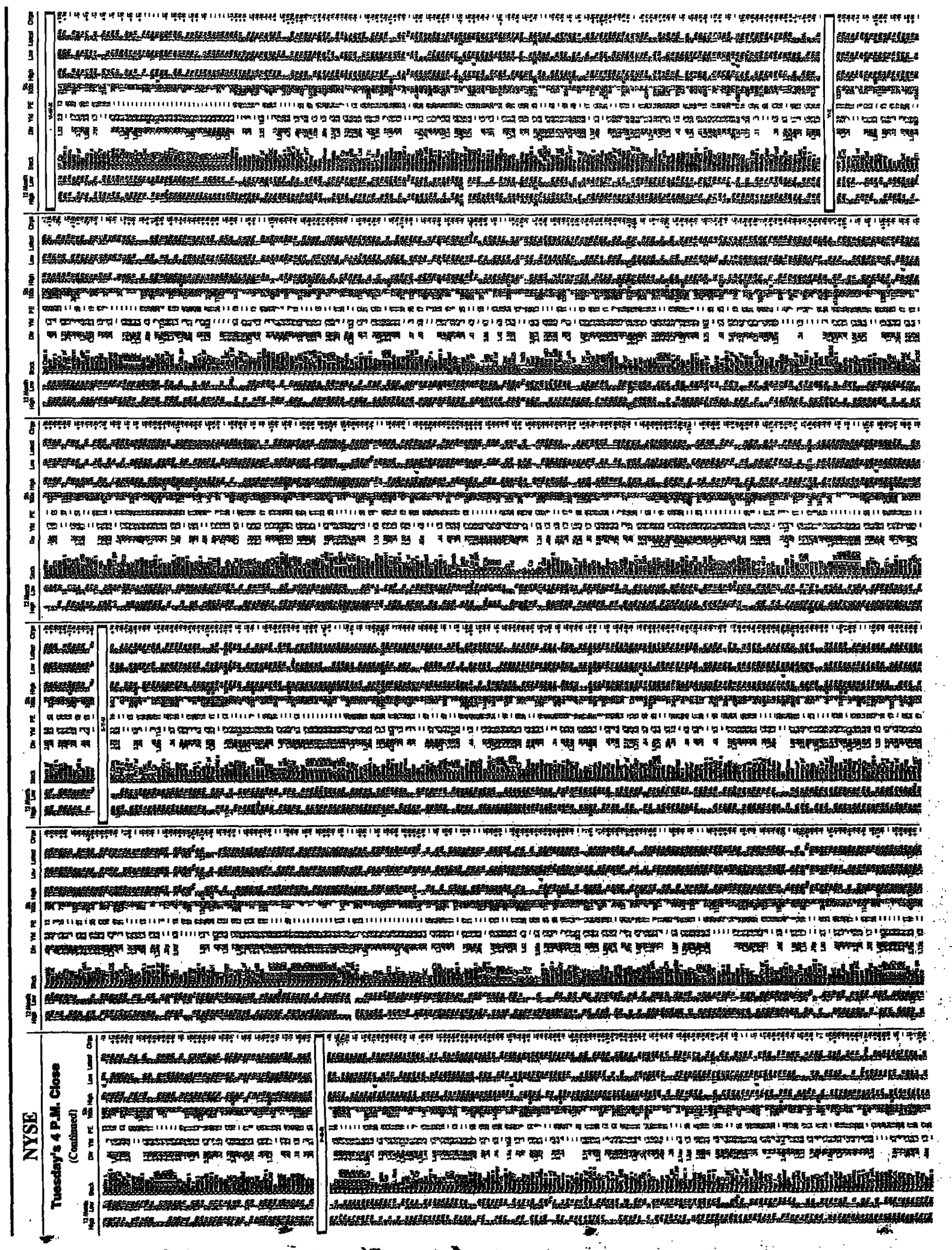
## NASDAQ

**Tuesday's 4 P.M.**
The 1,000 most-traded National Market securities in terms of dollar value, updated before a year. *The Associated Press.*



## NYSE

**Tuesday's 4 P.M. Close**
(Continued)



Herald International Tribune
SPORTS
PAGE 18 WEDNESDAY, FEBRUARY 12, 1997

WORLD ROUNDUP

## TV Worry for Italy

**SOCCER** The Italian government intervened Tuesday to try to ensure that the entire country could see Wednesday's crucial World Cup qualifier between England and Italy live on television from Wembley.

Private broadcaster TeleMonteCarlo had won the rights to show the game, but its signal covers only 80 percent of the country.

Deputy Prime Minister Walter Veltroni had talks with the company's owner Vittorio Cecchi Gori and the chairman of state broadcaster RAI, Enzo Siciliano to "verify the possibility of showing the England-Italy soccer match through-out Italy," the government said.

Cecchi Gori also owns the radio rights to the game and has sold them on to private stations. It will be the first time that RAI radio has not carried live coverage of an Italy game. *(Reuters)*

## Chang Breezes Through

**TENNIS** Two-time champion Michael Chang and fourth seed Todd Martin gained convincing straight sets victories in the first round of the $303,000 Sybase Open tournament in San Jose, California. Chang, who won in 1988 and 1992, overwhelmed qualifier Mashiska Washington, the younger brother of 1996 Wimbledon finalist MaliVai Washington, 6-2, 6-0. *(Reuters)*

## Bowe Reaches Boot Camp

**BOXING** Riddick Bowe, the former world heavyweight champion, stepped off a plane and into the ranks of the United States Marines. The 29-year-old Bowe and 21 other new recruits, most of them in their teens, were met Monday by three Marine instructors at the Charleston airport prior to a bus trip to the notorious Parris Island Marine Corps training center. *(AP)*

## $15 Million for Vaughn

**BASEBALL** Outfielder Greg Vaughn agreed to a three-year, $15 million contract with the San Diego Padres, avoiding arbitration. Vaughn, who was traded from Milwaukee last summer, will make $4 million in 1997, $5.25 million in 1998 and $5.75 million in 1999, with $850,000 deferred without interest. He hit .280 with 31 homers in 375 at-bats for Milwaukee, and .206 with 10 homers in 141 at-bats for San Diego.

- Andy Van Slyke, who retired after the 1995 season due to back problems, is making a comeback with the St Louis Cardinals as a backup third baseman. Van Slyke, 36, won five Gold Gloves as a center fielder, but started his career at third base with St. Louis in 1984.
- The New York Mets agreed to a minor-league contract with Howard Johnson. Johnson, 36, played for the Mets in the 1986 World Series. He spent 1996 as a coach with Butte of the Pioneer Rookie League, an affiliate of the Tampa Bay Devils.

## Lavin Made Permanent

**BASKETBALL** The interim UCLA basketball coach, Steve Lavin, was promoted to permanent head coach Tuesday and will receive a four-year contract.

Lavin, 32, was an assistant for five seasons before being appointed interim coach when Jim Harrick was fired Nov. 6.

The Bruins (13-7) are tied with Southern California for first place in the Pacific-10 Conference with an 8-3 record. *(AP)*

# A Young Star Keeps Italy Smiling

## *Kostner Wins Super G and Likes Chances in Downhill*

By Christopher Clarey
*International Herald Tribune*

SESTRIERE, Italy — The brief encounter took place last Tuesday. Atle Skaardal, the Norwegian, had just defended his world title in the men's Super G. Isolde Kostner, the Italian who was preparing to defend hers, walked up and congratulated him.

"Now, it's up to you," Skaardal said.

One week later, Kostner duplicated the Norwegian's feat, and like Skaardal, she won her gold medal on Tuesday by finding speed on the bottom section of the Kandahar Banchetta course.

Kostner started eighth, and after completing approximately three-fourths of the course, she trailed the leader, Katja Seizinger of Germany, by a significant margin: four tenths of a second. But then came the two big turns heading into the final jump. Kostner roared through them, and even though she was hardly the portrait of stability in the air — jumping remains her weakness — she already had earned back enough time to take the gold from Seizinger by a very insignificant margin: eight one-hundredths of a second.

Seizinger's German teammate, Hilde Gerg, won the bronze.

"Two turns, that's all it took," said Piermario Calcamuggi, a former Italian head coach. "She had so much power coming out of them. It has been that way since she was a teenager."

With her round cheeks and close-cropped hair, the 21-year-old Kostner could still be mistaken for a secondary-school student. In only her fourth season on the World Cup circuit, she now has won two World Championships and two Olympic medals: bronzes in the Super G and downhill in 1994.

She has also established herself, like her compatriots Deborah Compagnoni and Alberto Tomba, as a skier who thrives under pressure.

"You have to have a little luck to win by eight-hundredths of a second," Kostner said.

The Italians' success here in front of their exacting, emotional fans is no coincidence. At last year's World Championships in Sierra Nevada, Spain, they won four gold medals. This year, with Compagnoni's sweep of the slalom and giant slalom, they have already won three events. Tomba will compete this week in the men's technical events, and Kostner will be one of the favorites again in Saturday's women's downhill.

"I think I can double like Deborah," Kostner said. "The last few races I've had good results, and I'm in good physical condition. I like the downhill course here."

Kostner's first good result came on a very bad day for skiing in late January 1994, when she won the Garmisch-Partenkirchen downhill in which the Austrian skier Ulrike Maier died. Her victory was widely viewed as a fluke: the result of a change in weather conditions that made the course faster for the lower-ranked skiers. Kostner quickly dispelled such ideas by finishing third in the next downhill, and then became a star with her medals in the Lillehammer Olympics.

She is not the first star athlete in her family. Her father, Ulrich, played ice hockey in Italy's first division, and her brothers Fabian and Moritz are now doing the same. Isolde would have chosen ice hockey, too, but there was no women's team in her hometown of Ortisei in the South Tyrol.

"She lets her skis run as well as anybody on earth," said Calcamuggi, the former coach. "She generates speed that others simply cannot generate."

Seizinger, the world's best speed skier throughout the 1990s, might have held off Kostner on Tuesday if not for a rough turn near the bottom.

Kostner met the first target of one young fan who wrote to her recently.

"She wrote me that I would win here, win next year in Nagano and then win the overall World Cup title in 1999," Kostner said. "I wrote her back that it was a good plan, but it might be easier to write about than accomplish."

Eric Feferberg/Agence France-Presse
Isolde Kostner of Italy flying through the air on her way to victory in Tuesday's Super G race in the Alpine skiing World Championships.

# Italy Pines for Past Glories, England Seeks the Future

By Rob Hughes
*International Herald Tribune*

LONDON — There is an empty chair at the long table at the Milan restaurant L'Assassino. Cesare Maldini regrets he cannot take lunch today; he is abroad on a mission.

The regular diners, who include many former soccer players, will raise a glass anyway, to Maldini's recent 65th birthday. They will also toast the mission, for Maldini is the new trainer to the Azzurri, Italy's national soccer team, which plays

**INTERNATIONAL SOCCER**

England on Wednesday at Wembley Stadium.

It is a World Cup qualifying match critical to Maldini's task of proving that old values, like old wines and indeed aging diners, gain from maturity. Italy was at odds with the modern schemes that Arrigo Sacchi tried to impose on its finest soccer sons, so when he quit as national coach, Maldini was told to restore the methods that had brought Italy three World Cups.

Wembley is the crunch game in European qualifying Group Two. Only the top team in the group is certain to reach next year's finals in France. It is as unthinkable for Italy to miss a World Cup in its centenary soccer year as it would be for England to fail its second qualifying test in succession.

Fear will lay a hand on the match — the fear of defeat. The play will be cagey and likely to be garnished with, at best, a trickle rather than a torrent of goals. Cesare Maldini was in his day a safety-first defensive *libero* and would revel in a 0-0 finish at Wembley.

This, like most things Italian, will be a family affair. Cesare Maldini picks the side. Paolo Maldini captains it.

You can forget nepotism. It is true that Italians have a saying, *"figlio d'arte,"* bred for the job, and that Paolo is the fifth son of Cesare. It is also true that the son is a better player, a more eye-catching athlete, than ever his father was.

Papa Maldini could lock up the defense in Italy's classic cautious *catenaccio* style. Paolo can do that too, but it would be a waste to tie him to central defensive negative duties when he is incomparable among world players as a counterattacking left back.

That is where the son has shone in most of his 74 games for Italy and where at 28 he has won every club honor in Europe with AC Milan. It so happens that Paolo can stoop to fairly cynical "none shall pass" Italian antics when the mood strikes or when, as this season, his form falls below expectations.

Thirty-four years ago, the elder Maldini played at Wembley in an important match. He lifted the European Champions' Cup as captain of Milan after the match, in which his team beat Benfica of Lisbon.

The Maldinis are opposed by Glenn Hoddle, once a creative midfield player, now England's coach.

On Tuesday, Hoddle announced that the player who now fills that role, Paul Gascoigne, was fit to play even though he is hobbled by an injured ankle and has not trained for two weeks. Who do the English think they are kidding?

Part of the art of modern coaching is to conceal the team lineup, to try to outfox the opponent. Hoddle and Maldini are both at it, both sending red herrings via journalistic messengers.

The sting, the surprise nobody has talked about on England's training field, would be to play Matthew le Tissier, an artist of languid skills, instead of the fading Gascoigne.

As the teams rest in luxury hotels by the Thames, they might muse on the ticket prices for Wednesday's game.

The fans are being asked to pay three times for the privilege of sitting in the rain this night. No, not the black-market ripoff, although apparently 1,000 tickets have found their way into scalpers' hands.

This is the English Football Association's scheme to entice "loyalty" by making customers buy three tickets at once: for the Italy game, for England vs. Georgia in April and England vs. Moldova in September. The price? Up to $300 a head.

The passion play of Wednesday is the FA's leverage.

"England will always try to break through a brick wall," says Gianfranco Zola, the diminutive Italian forward who will definitely play for Chelsea in the English Premier League. "We Italians try to find a way around it."

He alludes to the clash of styles that has long characterized England-Italy soccer matches.

It is a difference embedded in culture and custom.

"There has always been this difference in mentality between us," said Angelo Peruzzi, Italy's goalkeeper of the moment. "I was not surprised the other day when Roy Hodgson called Italian players cheats because of diving in the penalty area." Hodgson is an Englishman coaching Internazionale of Milan.

English soccer players, he imagines, would *never* do such a thing, would never dodge the spirit of play enshrined by rules their countrymen wrote.

The truth, as Wednesday may show, is that the differences are disappearing. Hoddle, like Terry Venables before him, is on a mission to "Europeanize" the English, to adopt the formation of three defenders, five midfielders and two attackers that most thinking nations now apply with variations. This is the formation Maldini is taking Italy back to.

Hoddle is trying, doubtless in his dreams as much as his conscious moments, to trip up Italy at its own game.

*Rob Hughes is on the staff of The Times of London.*

Alastair Grant/AP
Cesare Maldini, coach for Italy, making a call from the team bus.

# *Japanese Linebacker Hopes to Make a Hit*

By Ian Thomsen
*International Herald Tribune*

The 23-year-old Japanese linebacker was trying to explain how he had become a professional American football player. There have been only a few like him in recent decades. In the 1960s, some European soccer players were grafted onto National Football League teams as kickers, and in their little way they revolutionized the sport.

Masafumi Kawaguchi wonders what his role will be. He has never played an official football game against American players before. At 5 feet 10 inches and 208 pounds, he concedes that he will be one of the smallest, slowest performers when he joins more than 100 other players at a training camp for the World League of American Football next month in Atlanta.

Kawaguchi and three other Japanese players were chosen at a World League tryout in Japan last month. They have been guaranteed jobs for this season largely because the World League would like to expand its television coverage into Japan.

His unlikely football career began at 17, when he moved alone from Japan to spend his senior year of high school in San Clemente, California, which was famous as Richard Nixon's retirement home. Kawaguchi had always wanted to live in America. One of the first things he did was to try out for the San Clemente High School football team.

It was not a promising start. He never played.

"I had a chance in the preseason and in the practice games," he said. "I think I was doing good, but I was wondering why the coach was not using me."

After the football season, it was discovered that the coach had mistakenly believed that Kawaguchi was an exchange student and therefore not eligible to play. The entire season went by with Kawaguchi waiting patiently on the sideline, declining to ask the coach if there was a problem.

"No, I never asked," Kawaguchi said from Hawaii, where he and his three countrymen are training in anticipation of the World League camp. "I decided to achieve my goal and let my actions speak for me. A lot of guys just talk too much; it's the same all over the world. I find that the really tough guys usually don't speak out loud about what they have been doing."

Kawaguchi indicated, however, that he is trying to adjust his personality to fit in with the Americans. When asked whether he had played well after he returned to Japan, he said, "I think I did." Such words must have sounded outrageous to him, because he added, "Normally Japanese won't say such things about themselves."

When he returned to Japan from his year in San Clemente, he had gained 20 pounds of muscle from weightlifting. He enrolled at a university in Kyoto and played American-style football for four years there. The last two years, he has been a kind of graduate-assistant coach of the team, overseeing the defensive ends.

The World League will begin its fifth season this spring with clubs in six European cities. Each club will employ seven European players. Extra space has been created in the league for Kawaguchi and his three countrymen. The league is hoping that they will emerge as credible players and therefore help the game to grow in Japan.

For Kawaguchi's part, he is hoping for nothing more than the chance to prove himself, to show by his actions that he plays bigger than he appears and faster than his recorded time in the 40-yard dash.

He doesn't know whether he will be an outside linebacker or a safety. All he knows is that he will be playing in the Netherlands for the Amsterdam Admirals.

At the end of the interview, he had a question about his new team.

He asked, "What is Admiral?"

# SCOREBOARD

## SKIING
### WORLD CHAMPIONSHIPS

**WOMEN'S SUPER-G**
TUESDAY, AT SESTRIERE, ITALY
1. Isolde Kostner (Italy) 1 minute 23.50 sec.
2. Katja Seizinger (Germany) 1:23.58
3. Hilde Gerg (Germany) 1:23.64
4. Carole Montillet (France) 1:23.98
5. Katharina Gutensohn (Germany) 1:24.00
6. Renate Goetschl (Austria) 1:24.24
7. Pernilla Wiberg (Sweden) 1:24.47
8. Michaela Dorfmeister (Austria) 1:24.53
9. Barbara Merlin (Italy) 1:24.74
10. Varvara Zelenskaya (Russia) 1:25.08

## BASKETBALL
### NBA STANDINGS

**EASTERN CONFERENCE**

| ATLANTIC DIVISION | W | L | Pct | GB |
|---|---|---|---|---|
| Miami | 36 | 12 | .750 | — |
| New York | 34 | 14 | .708 | 2 |
| Orlando | 34 | 20 | .545 | 10 |
| Washington | 22 | 25 | .468 | 13½ |
| New Jersey | 13 | 33 | .283 | 22 |
| Philadelphia | 12 | 34 | .261 | 23 |
| Boston | 11 | 35 | .239 | 24 |
| **CENTRAL DIVISION** | | | | |
| Chicago | 42 | 6 | .875 | — |
| Detroit | 34 | 12 | .739 | 7 |
| Atlanta | 31 | 15 | .674 | 10 |
| Charlotte | 29 | 19 | .604 | 13 |
| Cleveland | 25 | 22 | .532 | 16½ |
| Indiana | 23 | 23 | .500 | 18 |
| Milwaukee | 21 | 25 | .447 | 20½ |
| Toronto | 17 | 29 | .370 | 24 |
| **WESTERN CONFERENCE** | | | | |
| **MIDWEST DIVISION** | W | L | Pct | GB |
| Utah | 33 | 14 | .702 | — |
| Houston | 32 | 16 | .667 | 1½ |
| Minnesota | 23 | 25 | .479 | 10½ |
| Dallas | 16 | 28 | .364 | 15½ |
| Denver | 16 | 32 | .333 | 17½ |
| San Antonio | 11 | 34 | .244 | 21 |
| Vancouver | 9 | 42 | .176 | 26 |
| **PACIFIC DIVISION** | | | | |
| L.A. Lakers | 35 | 13 | .729 | — |
| Seattle | 32 | 15 | .681 | 2½ |
| Portland | 25 | 22 | .521 | 10 |
| L.A. Clippers | 19 | 25 | .432 | 14 |
| Sacramento | 21 | 28 | .429 | 14½ |
| Golden State | 17 | 29 | .370 | 17 |
| Phoenix | 17 | 31 | .354 | 18 |

NO GAMES SCHEDULED ON MONDAY

## HOCKEY
### NHL STANDINGS

**EASTERN CONFERENCE**

| ATLANTIC DIVISION | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| Philadelphia | 30 | 14 | 8 | 68 | 173 | 136 |
| Florida | 27 | 15 | 13 | 67 | 156 | 126 |
| N.Y. Rangers | 28 | 22 | 7 | 63 | 197 | 158 |
| New Jersey | 26 | 17 | 9 | 61 | 139 | 128 |
| Washington | 21 | 27 | 6 | 48 | 139 | 150 |
| Tampa Bay | 19 | 27 | 6 | 44 | 148 | 163 |
| N.Y. Islanders | 17 | 28 | 9 | 43 | 144 | 161 |
| **NORTHEAST DIVISION** | W | L | T | Pts | GF | GA |
| Buffalo | 29 | 19 | 8 | 66 | 157 | 139 |
| Pittsburgh | 30 | 19 | 5 | 65 | 205 | 168 |
| Montreal | 21 | 27 | 10 | 52 | 183 | 208 |
| Hartford | 21 | 28 | 7 | 49 | 155 | 174 |
| Boston | 20 | 27 | 7 | 47 | 156 | 167 |
| Ottawa | 18 | 24 | 11 | 47 | 146 | 156 |
| **WESTERN CONFERENCE** | | | | | | |
| **CENTRAL DIVISION** | W | L | T | Pts | GF | GA |
| Dallas | 32 | 20 | 4 | 68 | 172 | 138 |
| Detroit | 25 | 18 | 10 | 60 | 163 | 128 |
| St. Louis | 26 | 25 | 6 | 58 | 172 | 177 |
| Phoenix | 24 | 27 | 4 | 52 | 151 | 172 |
| Chicago | 21 | 27 | 8 | 50 | 143 | 148 |
| Toronto | 21 | 33 | 1 | 43 | 158 | 192 |
| **PACIFIC DIVISION** | W | L | T | Pts | GF | GA |
| Colorado | 32 | 14 | 8 | 72 | 184 | 138 |
| Edmonton | 27 | 23 | 5 | 59 | 174 | 156 |
| Vancouver | 25 | 27 | 2 | 52 | 174 | 184 |
| Anaheim | 21 | 28 | 6 | 48 | 154 | 170 |
| Calgary | 21 | 28 | 6 | 48 | 144 | 162 |
| San Jose | 20 | 28 | 6 | 46 | 142 | 171 |
| Los Angeles | 19 | 30 | 6 | 44 | 147 | 188 |

**SUNDAY'S RESULTS**

| | | | |
|---|---|---|---|
| San Jose | 1 | 0 | 1—2 |
| Montreal | 3 | 0 | 1—4 |

First Period: S.J.-Guolla 6 (Wood) 2, M.-Damphousse 21 (Racinsky, Bure) (pp), 3, M.-Stevenson 5 (Tucker, Rivet) 4, M-Malakhov 6 (Kohn, Damphousse) Second Period: None. Third Period: S.J.-Wood 2 (Nolan) 4, M.-Racinsky 19 (Damphousse, Bure) Shots on goal: S.J.- 13-21-15—49. M- 11-11-8—30. Goalies: S.J.-Hrudey. Flaherty. M-Theodore.

| | | | |
|---|---|---|---|
| Phoenix | 1 | 0 | 1—2 |
| St. Louis | 0 | 0 | 2—2 |

First Period: Phoenix - Tkachuk 34 (Janney), 2, Phoenix, Roenick 16 (Tkachuk, Janney), 3, Phoenix, Gartner 22 (Manson, Running) (pp). Second Period: None. Third Period: S.L.-Pelusa 1 (Bergevin, Matteau) 5, S.L.-Rivers 2 (Hull, Turgeon) (pp). 4, Phoenix, Carlson 7 (Shannon, Roenick) Shots on goal: Phoenix 7-6-8—21. S.L.-15-14-10—39. Goalies: Phoenix, Khabibulin. S.L.-Fuhr.

## GOLF
### RYDER WALKER RYDER CUP

Standings for the Ryder Cup to be played Sept. 26-28 at Valderrama in Sotogrande, Spain. The top 10 finishers qualify for the 12-man teams and U.S. captain Tom Kite and European captain Seve Ballesteros each have two wild-card choices:

**UNITED STATES**
1. Mark O'Meara 720,000
2. Tom Lehman 696,250
3. Davis Love III 525,000
4. Mark Brooks 519,750
5. Phil Mickelson 501,750
6. Steve Jones 489,280
7. Tiger Woods 485,000
8. Scott Hoch 404,280
9. Kenny Perry 371,250
10. Fred Couples 351,790
11. Steve Stricker 342,500
12. John Cook 341,000
13. Tommy Tolles 334,280
14. David Duval 320,000
15. Mark Calcavecchia 305,000

**EUROPE**
1. Colin Montgomerie, Scotland 311,711.66
2. Miguel Angel Martin, Spain 255,613.09
3. Thomas Bjorn, Denmark 210,291.76
4. Darren Clarke, N. Ireland 181,402.75
5. Costantino Rocca, Italy 176,347.91
6. Jean Van de Velde, France 150,173.39
7. Sam Torrance, Scotland 147,947.50
8. Per-Ulrik Johansson, Swe. 144,822.55
9. Paul Broadhurst, England 124,876.76
10. Ian Woosnam, Wales 113,047.11
11. Peter Mitchell, England 97,998.57
12. Lee Westwood, England 97,752.49
13. M. Angel Jimenez, Spain 91,557.38
14. Padraig Harrington, Ireland 88,433.99
15. David Gilford, England 83,244.63

## SOCCER
### KING'S CUP
TUESDAY, IN BANGKOK
Thailand 0, Sweden 0
Japan 1, Romania 1

## TRANSITIONS

**BASEBALL**
**MAJOR LEAGUE BASEBALL**
**AMERICAN LEAGUE**
OAKLAND—Agreed to terms with OF Geronimo Berroa on 1-year contract.
SEATTLE—Agreed to terms with OF Joe Buttner on 2-year contract extension through 1999.
TORONTO—Agreed to terms with RHP Mark Sievert, INF Tom Evans, INF Ryan Jones, INF Jeff Patzke and OF Anthony Sanders on 1-year contracts.
**NATIONAL LEAGUE**
CHICAGO CUBS—Agreed to terms with RHP Steve Traschel on 1-year contract.
CINCINNATI—Agreed to terms with RHP Dave Burba on 3-year contract.
LOS ANGELES—Agreed to terms with C Ken Huckaby, 2B Jeff Bertsinger, RHP Matt Herges, RHP David Spykstra and LHP Jesus Martinez on one-year contracts.
SAN DIEGO—Agreed to terms with OF Greg Vaughn on 3-year contract.
**BASKETBALL**
**NATIONAL BASKETBALL ASSOCIATION**
HOUSTON—Placed G Clyde Drexler on injured list.
DENVER—Announced the resignation of Bernie Bickerstaff, general manager.
WASHINGTON—Named Bernie Bickerstaff coach and signed him to 4-year contract.
**FOOTBALL**
**NATIONAL FOOTBALL LEAGUE**
NFL—Announced Bill Parcells can coach the New York Jets immediately. New England will receive New Yorks 3rd- and 4th-round picks in 1997 draft, 2nd-round pick in 1998 draft, 1st-round pick in 1999 draft, and $300,000 contribution to the Patriots' charitable foundation as compensation.
DETROIT—Re-signed QB Scott Mitchell to 4-year contract.
NEW ENGLAND—Signed LB Chris Slade to 5-year contract.
PITTSBURGH—Signed CB Barron Miles, OT Matt Stom and WR Oronde Gadsden.

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هكذا من الأصل

## SPORTS

# Blood Test on McCall Finds Him Drug-Free

## *Psychiatrist Says it Was Breakdown*

By Steve Springer
*Los Angeles Times*

What really caused Oliver McCall to lose not only a World Boxing Council heavyweight title fight Friday night but also, seemingly, his mind?

Why did he refuse to fight, refuse to defend himself, refuse to even walk back to his corner between rounds? Why did he break down in tears and stroll around the ring as if his opponent, Lennox Lewis, weren't even there?

It wasn't drugs. That much was determined by a blood test administered immediately after the fight, under the rules of the Nevada State Athletic Commission, that showed he was drug-free. It was the second time in less than a week that he had passed a drug test. McCall, who has admitted to a drug problem, also was tested Feb. 4, the day after he arrived in Las Vegas for the fight.

Leonora Petty, a psychiatrist who examined McCall on Saturday morning and who had not seen the fight, said: "I think his mental state is just fine. I spoke with him. He gave me answers, and I made an assessment."

But that was not the opinion of Marc Shatz, who has been a clinical psychiatrist in Beverly Hills, California, for more than two decades and specializes in treating athletes and entertainers. Shatz did not examine McCall, but he was ringside at the fight.

"It was not drug-related at all," Shatz said of McCall's action. The boxer, he said, had a nervous breakdown.

"The mind fragments, falls to pieces," he said. "It often can be drug-induced, but it doesn't have to be. In today's drug world, we always point first to drugs as the cause. It could be stress, anxiety or many other causes. It was an emotional breakdown. I observed all the symptoms first-hand. He walked around the ring. He ignored his corner. His eyes had a glazed look, as if he were in a disassociative state, as if he were not there at all, detached. All that indicates a breakdown. This was someone clearly in mental trouble.

"People have breakdowns all over the country every day. What made this so unusual was that it happened in front of 5,000 people and on national television."

How did Shatz reconcile his views with those of Petty, who examined McCall? "I totally disagree with her," he said. "I'm sure when he talked the next day, he sounded normal. A man can sometimes get a bit rational. Sometimes one can go in and out of psychotic states of mind. One can create a false self that can fool even the professionals.

"He requires more extensive examination. If Petty had seen his behavior that night, she would have understood. Everyone there that night saw him go nuts."

Shatz said he became concerned as soon as McCall entered the ring.

Entering the Las Vegas Hilton ballroom, where the fight was to be held, McCall broke from his handlers, raced down the aisle and aggressively plunged through the ropes.

"He bounced into the ring hyper and became manic once in the ring," Shatz said. "He may have had a mini-breakdown right there.

"In the first round, it looked like he got his mind back, then it started to disintegrate. At first, I thought he was out on his feet. By the end, he was out of his mind."

McCall fought normally for the first two rounds, although Lewis, whom McCall knocked out nearly two and a half years ago, had the edge.

In the third round, though, his erratic behavior took over. At the 55-second mark of the fifth round, referee Mills Lane, who had twice warned McCall about his behavior, stopped the fight and declared Lewis the winner.

McCall, whose $3.1 million purse has been held up by the state commission, faces a hearing in March. At that point, the commission will determine the fate of the purse and could fine or suspend McCall, who said Saturday he would like to resume training in two weeks and get another fight soon thereafter.

"With his denial in the press conference, it could be difficult for this man to get the help he needs," Shatz said. "He needs a long-term treatment program. He can train if it's therapeutic for him, but he shouldn't make an application to fight for at least a year."

Shawn Brat/Reuters

**The San Jose Sharks' goalkeeper, Kelly Hrudey, blocking a shot by Valeri Bure of the Montreal Canadiens.**

# Roenick Helps Coyotes Beat the Blues

*The Associated Press*

Jeremy Roenick is still trying to figure out what to expect from his Phoenix Coyotes teammates.

"I've been on the biggest roller-coaster ride known to man this year," Roenick said after his goal and assist helped the Coyotes beat the St. Louis Blues 4-2 Monday night at Kiel Center.

Roenick was traded to Phoenix before the season, after a contract dispute with the Chicago Blackhawks. He has scored only 16 goals, far below his usual production. Four times in his career, Roenick has scored more than 40 goals.

Roenick said his latest frustration was the Coyotes' 5-4 loss in overtime Saturday night to the Dallas Stars, a game in which Phoenix blew a 4-0 lead in the third period.

"We came back and put that game behind us. Maybe that will mean something as the season goes along," Roenick said.

Keith Tkachuk scored 33 seconds into the game for Phoenix, and Roenick made it 2-0 at the 2:33 mark.

**NHL Roundup**

Blues coach Joel Quenneville said his team never recovered from that bad start.

"It looked like for the first five minutes we weren't ready to play," Quenneville said. "It was 2-0 before we even knew we were in a hockey game. After that we played well, but that's an awful big hole to climb out of."

The Coyotes stopped the line of Brett Hull, Pierre Turgeon and Geoff Courtnall, which had scored 36 goals in the last 22 games.

The loss was St. Louis's fourth in its last six games at home and dropped the Blues to 11-15-4.

**Canadiens 4, Sharks 2** Jose Theodore, the rookie goalie, made a season-high 47 saves, and Vincent Damphousse reached the 800-point mark with a goal and two assists, as Montreal won at home.

Damphousse scored his 21st goal on a power play at 6:15 of the first period, his first goal in 10 games going back to Jan. 22. He got his 800th career point with an assist on Vladimir Malakhov's goal at 18:11 of the first period.

Martin Rucinsky and Turner Stevenson also scored for the Canadiens, who are 6-0 in Montreal against San Jose.

# NFL Jets Yield 4 Draft Picks To Get Parcells

By Gerald Eskenazi
*New York Times Service*

NEW YORK — Paul Tagliabue, the National Football League commissioner, has brokered a deal that freed Bill Parcells from the final year of his contract with the New England Patriots and allowed him to sign on immediately as head coach of the New York Jets.

Tagliabue managed to break through the intransigence of both the Jets' owner, Leon Hess, and the Patriots' owner, Robert Kraft, who were battling over Parcells like two knights over a princess.

In exchange for releasing Parcells from his contract, the Patriots will receive a total of four Jet draft choices, though not the first pick overall in this year's draft, which the Jets own by virtue of their having been the NFL's worst team last season. The Patriots — who made it to the Super Bowl championship game last month, where they lost to Green Bay — had said they would insist on getting that first pick in return for any deal over Parcells.

Instead, New England will receive the Jets' third- and fourth-round picks this year, their second-round pick next year and their first-round pick in 1999.

Tagliabue held a hearing Monday, ostensibly to determine whether a consultant's job was really what the Jets had in mind when they signed Parcells but were precluded by his old contract from naming him head coach right away. But he also tried to get the sides to make the deal, and he succeeded after almost five hours of negotiations.

"I said to Bob Kraft," the commissioner said, " 'Look, you've just come from a Super Bowl. Your quarterback and your running back are coming back from the Pro Bowl. Don't you want them to start getting ready for next season without these distractions?' "

Tagliabue said he then told Hess, who is also chairman of Amerada Hess Corp., " 'You want Bill Parcells. Where would you rather have him this year? In Jupiter Beach, Florida, or coaching your team?' "

Still, the sides could not agree. But after they agreed to accept binding arbitration, in 20 minutes Tagliabue presented a plan that he said he had worked on all weekend and that they accepted.

Tagliabue said he had explained to Kraft that eventually he would lose his stars through free agency or they would price themselves off the team because of the league's limits on a team's overall payroll, known as the salary cap.

"I showed Bob that while he was in a very strong position now, he would start having cap problems," Tagliabue said. "Veteran players want to be paid. And as a Super Bowl team, he didn't need so much money going to one player in the first round." He meant that the No. 1 pick in the draft would cost Kraft that much more money and possibly create salary-cap problems.

Moreover, although the Jets gave up their 1999 first-round pick in the deal, by then they might be a better team, and thus would be making their choice later in the round, than they are now. For now, on the other hand, even their third and fourth choices are useful, because they will get to make their choices at the beginning of each round in this year's draft.

The deal also calls for the Jets to make a $300,000 donation to Kraft's charitable foundation.

# *No Place Like Home? Not in the NHL*

By Helene Elliott
*Los Angeles Times*

Another of the National Hockey League's traditions has become a victim of "progress."

Certain teams used to be unbeatable at home, gaining advantages from their rink and their fans. The Bruins stocked up on grinders who thrived on the short Boston Garden surface. The Blackhawks ruled Chicago Stadium, where visitors were intimidated by roaring crowds, the compressed neutral zone and the wonderful old organ. The Montreal Canadiens, who lost a total of 14 home games while winning four consecutive Stanley Cups from 1976 through 1979, had the Forum ghosts to inspire them.

No more.

The Blackhawks, who moved into the United Center two years ago, are 8-16-3 at home and headed for their first losing home record since 1957-58.

The Bruins, who haven't had a sub-.500 home record since 1966-67, are 10-16-6 at the FleetCenter.

The Canadiens, who moved into the cavernous Molson Centre nearly a year ago, are 13-12-4 at home. Their home record hasn't been under .500 since 1939-40 and has dipped to .500 only twice since then.

The St. Louis Blues are 8-4-2 under new coach Joel Quenneville but only 2-3 at home with him in charge. The Phoenix Coyotes, who were 22-16-3 at home last season as the Winnipeg Jets, are 11-14-4 at America West Arena.

An obvious common thread is the bland, cookie-cutter sameness of many new arenas, which puts teams on equal footing. A speedy team isn't hampered in Boston or Chicago, where the ice is regulation size. Home teams have no edge knowing how pucks carom off the glass because many arenas use the same type of seamless glass.

Coinciding with the opening of so many arenas the last few years, the winning percentage of home teams has fallen from .583 in 1994-95 to .561 last season and to .533 this season, through Sunday. That's the lowest percentage since the major expansion of 1967.

Fans are also less of a factor. Although the new buildings are bigger, many seats are more distant from the ice, taking fans out of the game. Tickets are also more expensive and beyond the budget of many individuals. That leads to more corporate seat holders, whose devotion is usually less fanatic.

A star Phoenix Coyote forward, Jeremy Roenick, is puzzled by his team's home woes.

"We're too lackadaisical. We're too uncomfortable in our own building," he said. "We'll go into Detroit and dominate and come back and lose to a team we shouldn't lose to. We feel we have to put on a show."

That's because marketing officials have decided that ticket prices are so high, fans won't feel they got their money's worth unless they're entertained with loud music, inane trivia contests and flying mascots. Games aren't games, they're circuses. No wonder players feel as edgy as tightrope walkers.

To most fans, a competitive team is entertainment enough. Cut the sideshows and let teams focus on playing hockey. The result might be a revival of the old mystique of invincibility at home.

# Washington Starts Off Strongly But Falls Foul of Deep Bearcats

*The Associated Press*

SEATTLE — The No. 8 Cincinnati Bearcats looked distracted Monday night in the first half of an 82-69 victory over Washington.

But after committing 15 turnovers in the opening 20 minutes, they made only one in the second half.

**College Basketball**

"That first half was crazy," said Danny Fortson, who had 22 points and 11 rebounds as Cincinnati (18-4) won its fourth straight.

The Huskies (13-7), who haven't been to the NCAA Tournament since 1986, stayed in contention until the final three and a half minutes, when the Bearcats outscored them 14-7.

Fortson had 14 points in the second half, and 3-point specialist Darnell Burton added 19 points, including four 3-pointers in the second half of the game, the only one on Monday involving a Top 25 team.

Slender Mark Sanford, who led Washington with 18 points, spent part of the night wrestling inside with Fortson. "That was a lot of fun," Sanford said. "I would love to play those guys again."

The Huskies were hurt when their two 7-footers, Todd MacCulloch and Patrick Femerling, fouled out with 6:12 and 5:50 to go.

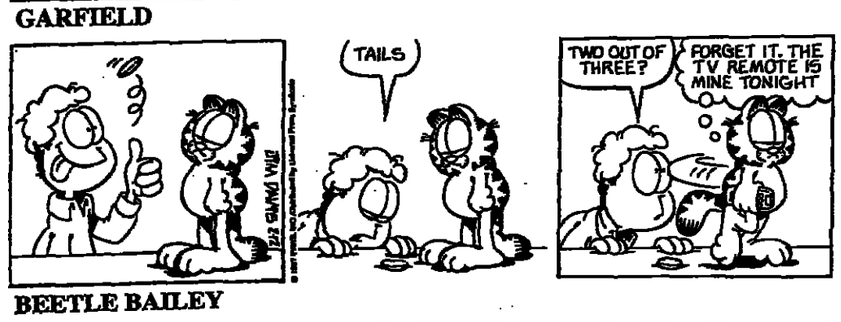
**DENNIS THE MENACE**

"GRANDPA SAYS HE'S JUST LIKE ME ONLY HIS BATTERIES WEAR OUT FASTER."

**PEANUTS**

**CALVIN AND HOBBES**

**GARFIELD**

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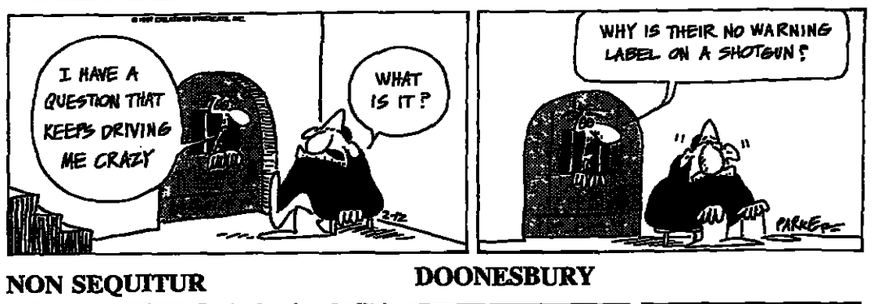



**JUMBLE.** THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

AKDEB

ADURF

ENBODY

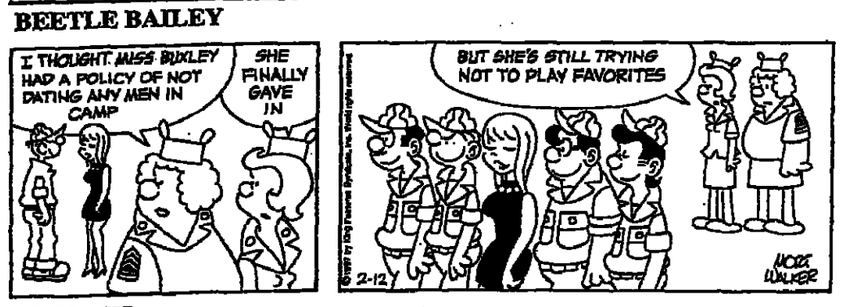
CUDISS

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE _____ (Answers tomorrow)

Yesterday's Jumbles: HOUSE BEGUN POTTER HOMAGE
Answer: How patients have to pay some chiropractic surgeons — THROUGH THE NOSE

**BEETLE BAILEY**

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## OBSERVER

# *Secret of Success*

By Russell Baker

NEW YORK — The life story of Pamela Harriman, who died in Paris last week, reads like one of those bad novels in which women with gumption to spare come from nowhere and make the world their private property. As fiction it is old and tired, but when a real woman really pulls it off it is quite wonderful, probably because the real world's deck is so heavily stacked against real women.

Mrs. Harriman really pulled it off, and not just in spades, but also in clubs, hearts and diamonds.

Ambassador to France was the last item on her résumé. Her final deed was a swim in the pool at the Ritz on the Place Vendome. Of course, she would never have made it to that most elegant of all ambassadorships by taking her daily exercise at the YWCA.

□

Ambition driven by grit, gall and sexual guile are still widely considered unseemly in a woman. In those bad but best-selling novels about such women they are usually portrayed as unprincipled hussies, to use the polite old-fashioned word.

By contrast, men propelling themselves upward in the same manner are usually treated as admirably ruthless and cunning go-getters.

A summary of the ambassador's biography suggests that she never met anybody who wasn't famous. She married three of them and bedded several of the others.

The husbands were Randolph Churchill, son of Winston; Leland Hayward, Broadway agent-producer of the postwar era, and Averell Harriman, multimillionaire, adviser to presidents, ambassador to the Soviet Union, governor of New York, etc.

The beddees included John Hay Whitney, Edward R. Murrow, Prince Aly Khan, Gianni Agnelli and Baron Elie de Rothschild. Lot of money there.

What was the secret of Mrs. Harriman's success? One may have been that she never married unwisely. The Churchills were — well, the Churchills. Leland Hayward was well heeled. Averell Harriman was more so. He had long had a reputation for being "tighter than a Pullman window" until Pamela loosened him so thoroughly that he started contributing to Democratic campaigners.

After his death, the widow Harriman became a major contributor and fund-raiser for Democratic politicians, particularly Bill Clinton.

Thus came the choicest of all ambassadorships — for those who can afford to foot the bills of Paris living.

How explain her extraordinary success in an era when men ruled the world? Obviously there was some quality in her that gave her immense power to charm a certain kind of man. The kind who didn't bother to read the news because he made it.

"What annoys me, especially," she once said, "especially in this world where women are equal with men, why do they all take the same tack, that people didn't marry me? Nobody's ever thought that I didn't want to marry."

But of course women were not "equal with men" in her world. A man taking many lovers without clerical blessing was to be admired as a prince of love. For the woman who did, praise was — still is — scarce.

*New York Times Service*

# Gender Gap at Movies: Women in the Front Row

By Bernard Weinraub
*New York Times Service*

LOS ANGELES — After years of making action and adventure films for boys of all ages, studio executives are concluding that a new audience has emerged that is changing all the rules.

Women.

"Women are now driving the marketplace," said Mark Gill, president of marketing at Miramax. "You ignore this audience at your own peril."

William Mechanic, chairman of Fox Filmed Entertainment, said that in an attempt to attract more women to the theaters, female stars are now playing significant, if not dominant, roles in that studio's coming big-budget action films. Among them are "Speed 2: Cruise Control," with Sandra Bullock (and Jason Patric) saving hundreds of passengers on a Caribbean cruise ship threatened by terrorists, and "Alien Resurrection," starring Sigourney Weaver and Winona Ryder, the fourth entry in the "Alien" series.

"The aim is to do action films that are more women-friendly, that is, having strong women in top roles and taking out a lot of the violence," Mechanic said. "Women are not only driving the box office but also videocassette rentals and sales and TV watching. Not respecting their taste level is silly."

While women have always been important at the box office, studio executives, most of them male, took notice in the last few months when women more or less decided which movies succeeded or failed.

"The First Wives Club," the comedy about three women wreaking revenge on husbands who have left them for younger women, was the first and most obvious one. It has grossed $105 million. But women have been central to the success of several disparate films.

These include "Jerry Maguire," with Tom Cruise as a sports agent (it was marketed by Tri-Star as a love story, with the sports angle muted); "Michael," in which John Travolta plays an angel who likes women; "Evita," "The English Patient" and "Mother," the Albert Brooks comedy starring Brooks and Debbie Reynolds.

"Scream," the Wes Craven horror comedy, can also thank women for the unexpected size of its success. With an overwhelmingly female audience, the modestly budgeted movie has taken in nearly $75 million. "It's actually a thriller, not a horror movie," said Gill.

Zade Rosenthal/New Line Cinema

**Among films aimed at women: "Michael," with John Travolta as a hell-bent angel.**

It was also women who determined a different fate for several movies aimed directly at them. By largely ignoring "The Evening Star," a sequel to "Terms of Endearment"; "One Fine Day," a comedy about single parents with Michelle Pfeiffer and George Clooney, and "The Preacher's Wife," a fable with Denzel Washington and Whitney Houston — movies that arrived for the Christmas holidays with high expectations — women turned them into major disappointments for their studios.

And movie executives said a major reason for the commercial failure of "The People vs. Larry Flynt," which received some of the best reviews of the year, is that women are not going. The movie has been criticized by feminists like Gloria Steinem as glorifying a man whose magazines degrade women. While the film has played well in New York, Los Angeles and other big cities, it has collapsed elsewhere. So far it has grossed almost $19 million.

"Women over 25 are very discriminating, very review-sensitive and the toughest to get into the theaters, in contrast to young men," said Sherry Lansing, chairwoman of the the Paramount Motion Picture Group. "But when they do come to the theaters, there's a huge audience."

Although the last few months have seemed to highlight the strength of women at the box office, some top executives say the trend has been evident for several years. The Motion Picture Association of America, the studio's lobbying arm, said its most recent survey showed that the frequency of women's going to movies had grown somewhat from 1993 to 1995.

And while precise figures on attendance by women in the last few months are not available, studio executives say that exit polls at movie houses, telephone surveys and what Gill termed overwhelming anecdotal evidence from theater owners leaves no doubt about the recent impact of women.

Laura Ziskin, producer of "Pretty Woman" and "No Way Out," who is now president of Fox 2000, a division of 20th Century Fox that was set up to reach female audiences, said that what had especially surprised her was the influence many women can exert with their husbands or boyfriends in choosing films.

Ziskin said that the studio's marketing and research executives had found that while teenage boys tend to make the decisions about what films to see — and girls follow along — just the opposite is true with those in the 30-to-50 category. "If a guy, for example, wants to see 'Showgirls' and the woman doesn't want to, he will see something that she wants to see," Ziskin said. "They come to a mutual decision."

Moreover, she said, the studio has found that men tend to go alone to the movies far more than women, who often go with another woman or in a group.

A woman's film can no longer be categorized simply as a comedy or a romance, said Ziskin and others. "A Tom Hanks movie is a woman's film; so is a Tom Cruise or a Harrison Ford movie. 'The Fugitive' was a big woman's movie. So was 'No Way Out.' Women tend to like character-driven movies with strong narrative lines. Movies with sex do appeal to women. Look at 'Fatal Attraction.'"

The surge of movies intended to lure female audiences is a result, in part, of the growing number of female studio executives with the power to give the green light to a movie. "You don't say you have to target women, but the reality is, who's making the choices and decisions?" said Stacey Snider, co-president for production at Universal Pictures.

Ziskin put it more bluntly: "We've been a testosterone-driven business for a long time. Now I'm looking more at an estrogen-driven business."

In traditional Hollywood fashion, the success of "The First Wives Club" has, for the moment, begotten offspring. Bette Midler, one of that film's stars, is now in a comedy, "That Old Feeling," about a divorced couple who start an affair at their daughter's wedding.

Another coming comedy, "The Breakers," stars Anjelica Huston and Drew Barrymore as a mother-daughter team of con artists. It is quite likely that "The Breakers" would not have seen the light of day without "The First Wives Club," a number of executives said.

"'First Wives Club' convinced us that there's a big audience out there for this kind of picture," said John Davis, producer of "The Breakers."

Laurence Mark, a producer of "Jerry Maguire," and of a coming comedy, "Romy and Michelle's High School Reunion," with Lisa Kudrow and Mira Sorvino, said: "When women show up for a movie, they've now proven they can show up in droves and bring their dates in tow. What could be better?"

## FRESCOES SAVED

# *A Touch of Byzantium Comes to Houston*

By Paul Goldberger
*New York Times Service*

HOUSTON — Few pieces of important spiritual architecture are made in these times. Fewer still come into being as a result of drama and intrigue worthy of a detective story.

But the Byzantine Fresco Chapel, which opened on Saturday on a quiet residential street here, ranks as one of the most ambitious small religious buildings of recent years. And it came to be because of some stolen art, a philanthropist's determination to discover its origins, and her luck at being able to rescue and restore it before the thieves' agents could sell it off piecemeal.

The art is a set of 13th-century Byzantine frescoes that were originally in the dome and the apse of a small church at Lysi, on the island of Cyprus. In June 1983, they were offered to the Menil Foundation, the Houston museum created by collector and patron Dominique de Menil. The museum was told that the frescoes, which had already been cut into 38 pieces, had been discovered under rubble by a contractor building a seaside resort in Turkey.

F. Carter Smith for The New York Times

**Francois de Menil in the Houston chapel he designed.**

At that time, the frescoes, which depict the heavens with Jesus at the center surrounded by a dozen angels in a circle, as well as the Virgin Mary and St. John the Baptist, were in a dark, dank apartment in Munich, and the sellers would say little more than that they had been discovered by accident.

Menil representatives were suspicious and began trying to discover the works' true origins. Three countries claimed them, but only Cyprus could cite a church where they fitted perfectly, and from which they obviously had been stolen. De Menil — awed, she said, by the frescoes' beauty — decided to buy them, in effect ransoming them, and to underwrite their restoration, which required a total outlay of more than $1 million.

She turned over ownership of the frescoes to the Church of Cyprus, part of the Greek Orthodox Church. But she did not offer to return them physically to Cyprus. With the area of Lysi under Turkish control, she said, they would be better protected in the United States. She eventually persuaded the Church of Cyprus to agree.

She was equally determined that the frescoes not be presented as pure art, but be given a religious setting similar to the one for which they had been created. "A sacred object is deprived of its function if it is seen only as lines and color," she said at her home here. "You amputate something important if you do that."

De Menil decided to commission a chapel that would be the next, and perhaps final, chapter in the series of art-related structures she had built in the Montrose neighborhood of Houston, beginning with the Rothko Chapel in 1970, designed around a series of murals by Mark Rothko, and including the Menil Foundation museum in 1987 and the Cy Twombly Gallery in 1995, both designed by Renzo Piano.

After flirting with a plan that would have been largely a re-creation of the original Cypriot chapel at Lysi, De Menil turned in 1991 to her son, Francois, a New York architect. "Francois saved me from Disneyland," she said.

Francois de Menil had never designed a free-standing building. But he understood his mother's desire for a building that would powerfully express a religious sensibility and house the frescoes in an environment resembling their original one, while following the Foundation's tradition of commissioning works of contemporary architecture.

His building, which cost more than $3 million, raised from several private donors who joined with the Foundation, is an elegant combination of concrete, steel and glass, surrounded by a low stone wall. Like the other de Menil buildings, it is modest in scale, aspiring to intensity of feeling rather than dazzle of spectacle.

The chapel is a building that owes a considerable debt to Louis Kahn and Tadao Ando, surely the architects who have come the closest in recent times to achieving profoundly spiritual architecture with the rough materials of concrete, stone and steel. Francois de Menil's chapel is not quite in their league; it is more theatrical in its interior than anything either of them would have built, and in other ways it has some of the hesitation characteristic of any architect at this stage in his career. But it unquestionably deserves a spot on the list just below these masters' work.

## PEOPLE

IS IT curtains for "Whistle Down the Wind," the **Andrew Lloyd Webber** musical that was to have opened on Broadway in June? The Really Useful Company, Lloyd Webber's production arm, said that the show, already postponed from April to June, will not arrive on Broadway in 1997. A new opening date in New York was not announced. "No one is talking," said a spokesman for the musical, but he said the cast had been released from their contracts and the sets most likely would be stored. The show, which closed Sunday in Washington after a nine-week tryout run, was to have opened June 15 at Broadway's Martin Beck Theatre, where the marquee already was in place. The theater now is looking for a new tenant. "Whistle Down the Wind," based on a 1961 British film, was directed by **Harold Prince**, one of Broadway's most successful directors of musicals. "I believe, possibly because it was originally conceived for the cinema, 'Whistle' has not found its stage voice yet," Lloyd Webber said in a statement. "I agree with those who feel that it needs time for its creative team to stand back from it. It is far, far too good a musical to open on Broadway until it's truly ready." Its demise comes a week after Really Useful disclosed the double closings of Lloyd Webber's "Sunset Boulevard," which will end March 22 in New York and April 5 in London.

□

**Charles Aznavour** won the award for best male vocalist at France's Victoires de la Musique awards. In an evening dominated by veteran singers, **Barbara** took best female singer of the year and album of the year went to **Eddy Mitchell** for "Mr. Eddy." "I hate competition. That's for the young," said Aznavour, 72. But younger artists were also honored. The pop singer **Khaled** won the award for best song for "Aicha," a mix of Algerian rai music with a Euro-dance beat, composed by **Jean-Jacques Goldman**. **Les Innocents** received the award for best group.

□

A combined Scandinavian effort about the tormented life of the Norwegian Nobel literature laureate **Knut Hamsun** won the main Swedish cinema prizes, the Golden Rams. "Hamsun," directed by **Jan Troell**, won the award for best film and best screenplay, its veteran star **Max von Sydow** was named best actor and Denmark's **Ghita Noerby** best actress. Each member of the cast speaks his or her own language in the joint Danish-Norwegian-Swedish production recounting the life of Hamsun (1859-1952), whose last years were soured by his support for Nazism.

Charles Platiau/Reuters

**Khaled, at the French music awards ceremony; he won the best song prize.**

□

Two Michelin stars were shining on the London restaurant Aubergine on Tuesday as the French company issued its 1997 Red Guide to Britain and Ireland. Aubergine previously had one star. Four other establishments retained their three-star ratings: the Waterside Inn in Bray-on-Thames, and Chez Nico, The Restaurant Marco Pierre White and La Tante Claire, all in London.

□

"Striptease" and "The Island of Dr. Moreau" each had the dubious distinction of having six nominations in the 17th annual Golden Rasberry award for the worst in movies. The Golden Rasberry prizes will be announced March 23, the day before the Oscars are handed out. "Striptease" is up for Rasberries for worst movie, actress (Demi Moore), screen couple (Moore and **Burt Reynolds**, who was also named for worst supporting actor), director and screenplay.

□

A judge in Los Angeles has sentenced **Heidi Fleiss** to 18 months in prison and a $500 fine for attempted pandering, culminating the saga of the "Hollywood Madam." Fleiss, currently serving a 37-month federal term for income tax evasion and money laundering, was silent as the state prison sentence was imposed. Under a plea bargain, she will serve her state time concurrently with her federal prison sentence and avoid state prison.

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